

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
Controller’s Office of Public Finance
San Francisco Housing Authority

Sunnydale HOPE SF
Phase 1A3 Infrastructure Gap
Up to \$25,072,111

Evaluation of Request for:	Horizontal Construction
Loan Committee Date:	November 5, 2021
Prepared By:	Sara F. Amaral/Lydia Ely
Source of New Funds Recommended:	\$4,600,000 - 2015 General Obligation Housing Bond \$14,672,111 - 2019 General Obligation Housing Bond
NOFA/PROGRAM/RFP:	HOPE SF
Total Previous City Funds Committed	\$5,200,000 2015 GO Bond \$600,000 Housing Trust Fund \$5,800,000 Total
New Loan:	\$19,272,111
Applicant/Sponsor Name:	Related California (“Related”) & Mercy Housing California (“Mercy”)

Sponsor Information

Phase Name:	Phase 1A3 Infrastructure	Sponsor:	Related & Mercy
Phase Location:	Sunnydale Ave & Hahn St, San Francisco, CA 94134	Ultimate Borrower Entity:	Sunnydale Infrastructure Phase 1A3, LLC

Project Summary

Phase 1A3 Infrastructure (Phase 1A3) is the second infrastructure development phase of eleven phases within the Sunnydale HOPE SF Master Plan, after the combined infrastructure Phases 1A1/1A2. Phase 1A3) is approximately 4.14 acres, of which 1.46 acres represent the Block 1/community center site, 0.83 acres represent the Block 3A affordable housing development site, 0.85 acres represent the Block 3B affordable housing development site, and one acre represents the Sunnydale Avenue public right of way. Phase 1A3 includes demolition and abatement of 13 public housing buildings and associated utilities, as well as new realignment of Sunnydale Avenue between Hahn Street and Santos Street, and new underground utilities, street, sidewalks, bike lanes, MTA bus stops, and pad-ready preparation of the Blocks 1, 3A, and 3B sites for development (the Project). The Housing Authority of the City and County of San Francisco (the Authority or SFHA) will have relocated approximately 58 impacted households from this Phase, with assistance from Mercy Housing’s Sunnydale resident services team, before construction can start in February 2022.

Horizontal Loan Request – Project Description

Note: For HOPE SF master project summary narrative, see Attachment A.

Land Owner:	SFHA	Supervisor and District:	Walton, D10
Total Open Space:	0 SF	Total Parcel Size:	4.14 acres/180,338 sq. ft.
Total Street Area:	1.00 acre	Master Plan Architect:	Van Meter Williams Pollack
TDC:	\$25,072,111	Civil Engineer:	KPFF
TDC/SF:	\$139	TDC Less Land Cost/SF:	\$139
Loan Amount Requested:	\$19,272,111	Request Amount/SF:	\$139

PRINCIPAL DEVELOPMENT ISSUES

- **Interagency Coordination.** Coordination with various infrastructure agencies is critical, outlined in the Development Agreement, and facilitated by the Office of Economic and Workforce Development (OEWD). Several City permitting agencies are currently backlogged and the project reviews are regularly delayed, however HOPE SF projects have priority under the Housing Executive Directive. Current Street Improvement Plan (SIP) was provided to Public Works Taskforce on September 29th. Per the Development Agreement, the Taskforce has 30 days to review and opine on the drawings. In the event that these are not provided by Oct 29th, 2021, the Project could see delays. See Sections 5.6.
- **Resident Relocation.** Development of Phase 1A3 requires the abatement and demolition of 84 units over 13 buildings. Permits were issued in October 2021, however, accordingly, all households living within this phase must be relocated before work can take place. As of now, approximately 43 households have moved to rehabbed units on site and there are 15 households remaining that will move directly into new units at Block 6 by mid December 2021. In the event that these 15 residents do not move by the end of December, the infrastructure improvements will be delayed,. See Section 6.4.
- **Construction Schedule and Delay Impacts.** Commencement of infrastructure construction is a high priority for Sunnydale HOPE SF. The vertical development of Block 1, Block 3A, and Block 3B is dependent on the infrastructure construction starting on time. Delays will result in additional costs to the Phase 1A3 work of \$6,000 a day, and to all subsequent vertical buildings within this phase and future phases. See Section 6.4.
- **IIG and Infrastructure Loan Repayment.** The Sponsor was successful in obtaining an Infrastructure and Infill Grant (IIG) for Sunnydale Block 3B from the State of California Department Housing and Community Development (HCD) in the amount of \$6.5M. The Sponsor is also awaiting word on a Block 3A application to IIG in the amount of \$5.786M this winter. These funds will be used to pay down this infrastructure gap loan to \$12,786,111, but cannot be drawn until both affordable housing developments start construction. Block 3B intends to start construction in Summer 2021, with accelerated funds from HCD, however Block 3A is currently not competitive under CLDAC current regulations. Per IIG requirements, projects needs to be complete within five years of award date. Further delays to starting construction could also delay repayment of IIG funds. MOHCD is bridging this amount until construction start. See Section 8.1.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$5,800,000	5 yrs. @ 0%	Committed

Permanent Sources	Amount	Terms	Status
MOHCD	\$12,786,111	0% interest/ upon City Acceptance of Improvements	This Request
IIG Sunnydale Block 3B	\$6,500,000	0% interest/ .42% annual fee	Committed
IIG Sunnydale Block 3A	\$5,786,000	0% interest/ .42% annual fee	Pending
Total	\$25,072,111		

Uses	Amount	Per Unit	Per SF
Hard Costs	\$20,831,764	\$122,540	\$116
Soft Costs	\$3,785,802	\$22,269	\$21
Developer Fee	\$454,545	\$2,674	\$3
Total	\$25,072,111	\$147,483	\$139

1. BACKGROUND

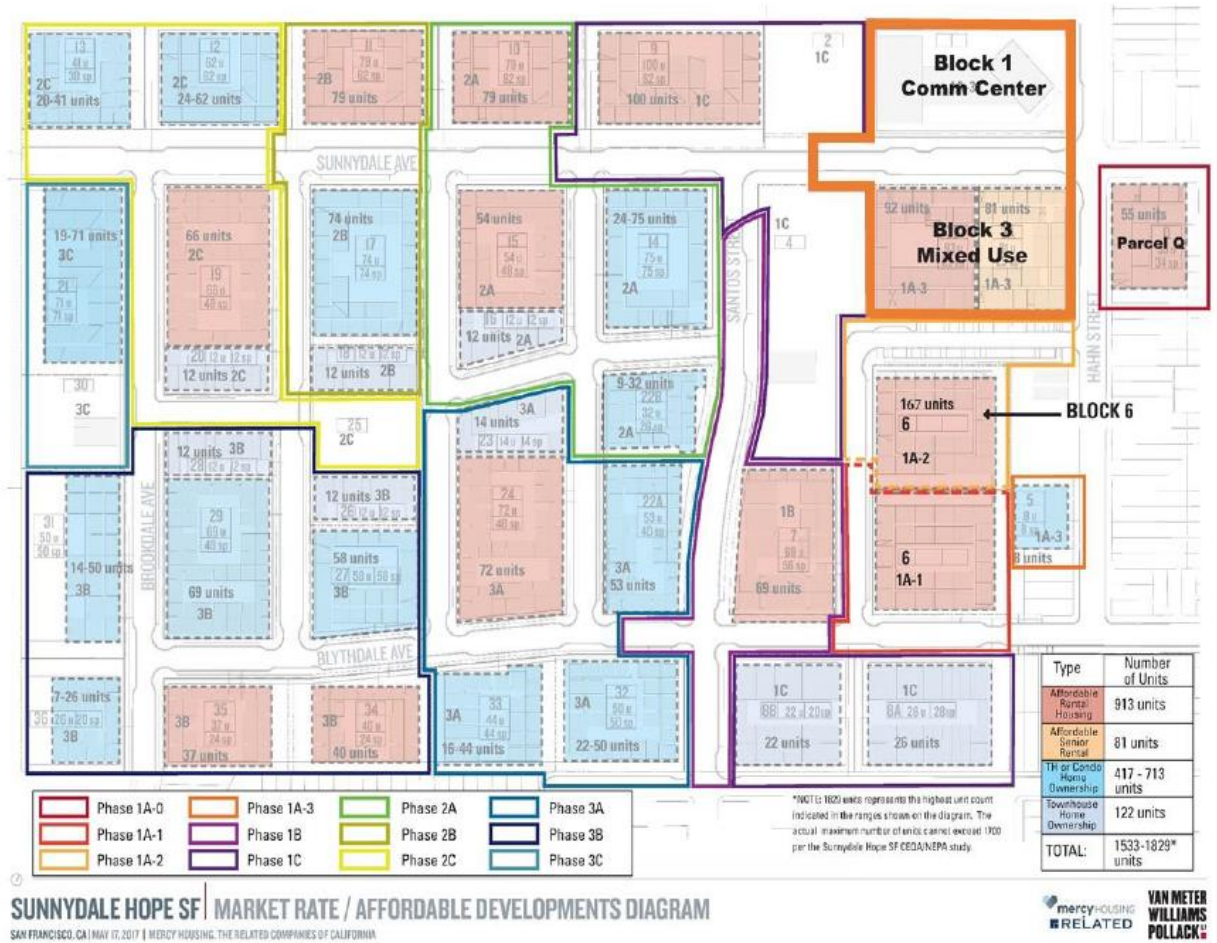
1.1. Project History Leading to This Request

The Sponsor received predevelopment funding in the amount of \$5.8M from the HOPE SF Affordable Housing Loan Committee for Phase 1A3 on June 9, 2019. Since then, the Sponsor has been working with various City agencies, including OEWD and the Infrastructure Taskforce Department of Public Works (DPW-ITF), to complete the design scope of the infrastructure improvements. Concurrently, the Sponsor has been working closely with SFHA to complete the resident relocation work necessary to start construction.

With relocation almost complete and final mapping and various permits in place, the Sponsor will be ready to start construction on the improvements in February 2022. It is expected that the improvements will take approximately ten months to complete with vertical construction being able to start after four months.

1.2. Phasing Map

Below is a phasing map that indicates the order of the phases and type of housing with affordable (in pink) and market rate (in blue). Please note that future phases include an approximate number of residential units, as indicated in the 2017 Development Agreement approvals. For more detail and updates, please see Attachment A. Phase 1A3 is outlined in orange.



2. BORROWER/GRANTEE PROFILE

The Borrower of this loan will be Sunnydale Infrastructure Phase 1A3, LLC. The LLC’s sole members are Mercy and Related entities.

2.1. Development Team for Infrastructure

The Sponsor was selected for the revitalization of Sunnydale HOPE SF in 2007. Due to the nature of the work and the required continuity needed over each phase, Contract Management Division (CMD) approved certain contractors to be maintained across phases. As such, the core infrastructure team for Phase 1A3 is consistent with Sunnydale’s first infrastructure phase. Additionally, Hollins/Townsend JV was procured as the preconstruction and construction manager for Phase 1A1/1A2 with the Sponsor’s option to permit them to hold the same position for Phase 1A3. For all other disciplines, the Sponsor is complying with CMD’s requirement to competitively procure when the expected fee exceeds CMD’s threshold.

CMD provided the Sponsor the goal of 25% for professional services, 20% for demolition and abatement, and 20% for infrastructure construction. To date, the Sponsor has met or exceeded the professional services and demolition and abatement goals, and are on track to meet or exceed the infrastructure construction goal. Professional services are currently at 40% and demolition and abatement is currently at 20%.

Infrastructure Team				
Consultant Type	Name	Selected Team in 2007	SBE / LBE	Outstanding Procurement Issues
Project Manager	Related CA	Y		N
Civil Engineer	KPFF	Y		N
Landscape Architect	Merrill Morris	Y	Y	N
Joint Trench Consultant	Giacalone			N
General Contractor	Baines/Nibbi		Y	N
Owner's Rep/CM	Hollins/Townsend		Y	N
Geotechnical	Engeo	Y		N
Legal	Farella Braun + Martell			N
Master Plan Architect	VMWP	Y		N
Stormwater Management Designer	MIG	Y		N
Surveyor/Mapping	Ron Martin	Y		N
Environmental Consultant	AEW	Y	Y	N

3. PRIOR MOHCD FUNDING FOR CURRENT REQUEST

This is the second funding request related to Sunnydale HOPE SF Phase 1A3. As mentioned previously, the Sponsor has previously requested and received \$5,800,000 for predevelopment activities, including designing the streetscape improvement plan and demolition and abatement of the public housing improvements within the Project area on June 9, 2019. Demolition and abatement have started on this phase and will be complete by Notice to Proceed (NTP) issuance of the public improvements in February 2022.

3.1. Disbursement Status.

To date, the Sponsor has drawn approximately \$930,000 of the \$5.8M in predevelopment funding. The Sponsor plans to use the remaining \$4,291,057.82 for demolition and abatement of the existing buildings before construction start on the improvements in February 2022.

4. SITE

4.1. Description

Phase 1A3 forms a rectangular shaped site bisected by the realigned Sunnydale Avenue between Hahn Street and Santos Street. It is bordered to the south by the new 167-unit affordable development known as Block 6, Hahn Street to the east, McLaren Park to the north, and existing public housing buildings to the west.

Infrastructure improvements will not only support the surrounding neighborhood, but it will also support three new buildings within Phase 1A3. Block 1, a 30,000 square feet community center to be paid for by private fundraising and New Market Tax Credits, will be situated north of Sunnydale Avenue. Block 3A and 3B will be a total of 170-units of multifamily affordable housing across two buildings situated south of Sunnydale Avenue.

The realigned Sunnydale Avenue will connect Hahn Street to Santos Street with a dedicated bicycle travel lane on the north side of the roadway for westbound bicycle traffic. A new San Francisco Municipal Transportation Agency (SFMTA) bus stop and shelter will be located on the south side of Sunnydale Avenue directly west of Hahn Street. A garage entry to Block 3B will be located on Harmonia Street, which was constructed as part of the Phase 1A1/1A2

infrastructure improvements. The main lobby and retail entries for both Block 3A and 3B will be located on Sunnydale Avenue. No off-street parking will be provided at Block 1. Prior to the construction of the new street and utility infrastructure, the Sponsor will abate and demolish the 84 existing units in 13 buildings.

The following table summarizes the allocation of this Development Area:

	SF	Acres	% of Site
Block 1 Development Site	63,598	1.46	35%
Block 3A Development Site	36,155	0.83	20%
Block 3B Development Site	37,026	0.85	21%
Public Right-of-Way	43,560	1.00	24%
Phase 1A3 Area	180,338	4.14	100%

5. DEVELOPMENT PLAN

5.1. Property Ownership Structure

The ownership structure and sequence is as follows:

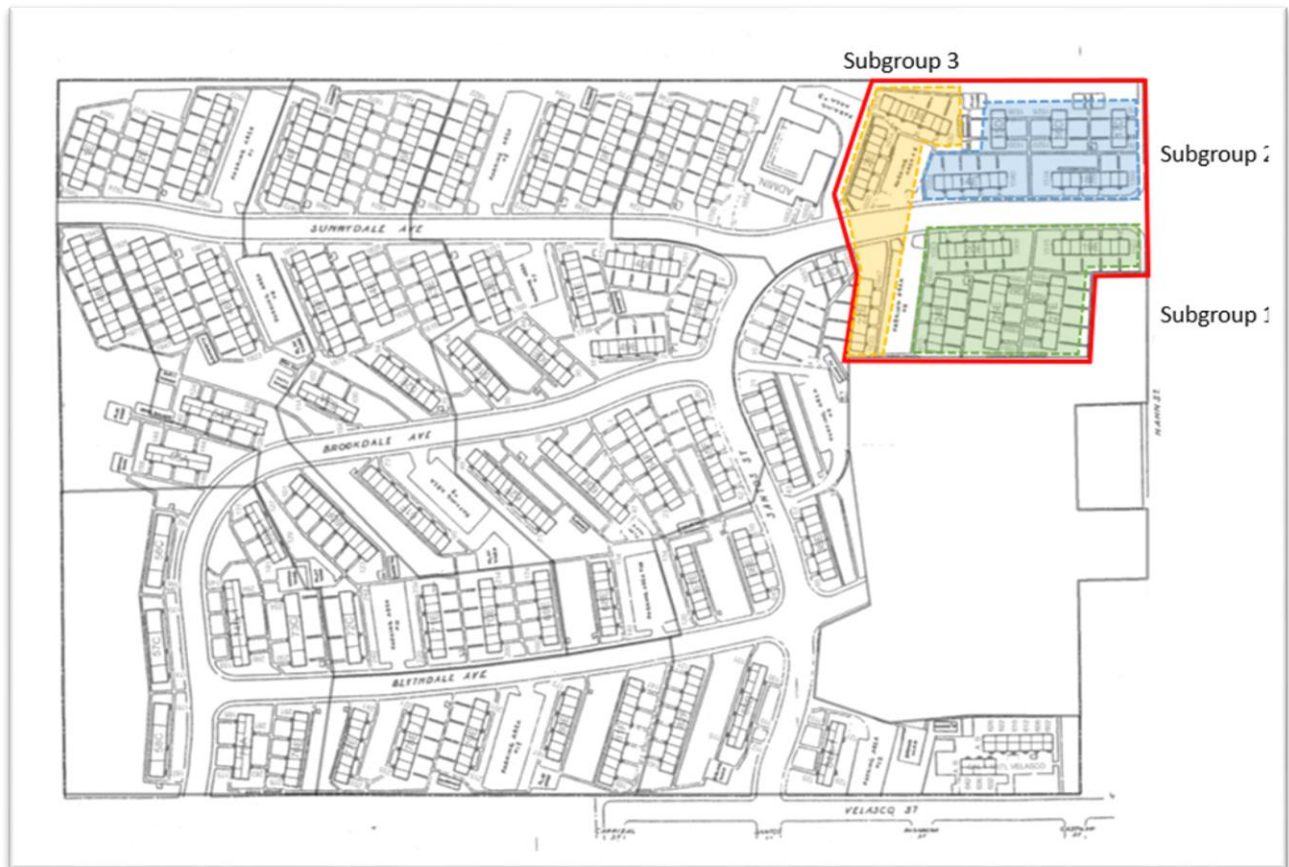
The Sunnydale Infrastructure Phase 1A3, LLC (LLC) entity has executed a short-term demolition license agreement with the Authority through which the LLC can abate and demolish the existing buildings in the Phase 1A3 footprint.

After demolition and before infrastructure improvements, a short-term ground lease will be executed between the Authority and the LLC to allow the LLC to demolish and construct the utility and street infrastructure as well as grade and prepare the Blocks 1, 3A, and 3B sites. This ground lease will be in effect until the City accepts the infrastructure through a Board of Supervisors action, which is expected in 2023.

At the construction closing for Blocks 3A and 3B, the vertical development parcel will be ground leased for 99 years by the Authority to a California limited partnership consisting of Mercy and Related as co-general partners. Mercy and Related affiliates will purchase the Block 1 parcel from the Authority for a nominal fee to develop a community center, per the Development Agreement dated March 17, 2021.

5.2. Phasing

Phase 1A3 is divided into three smaller subphases for relocation purposes. Subgroups 1 and 2 have already relocated and the Sponsor has started abatement and demolition on these areas using Phase 1A3 predevelopment funds. Subgroup 3's relocation will be complete once the remaining 15 households located within this subgroup are relocated to new units in Block 6 before the end of 2021. Once all residents relocate, the Sponsor will start abatement and demolition on these three buildings. The infrastructure construction period is estimated to start in February 2022 and take ten months with some infrastructure and vertical construction overlap.



5.3. Environmental Review.

A comprehensive hazardous material survey has been conducted. Asbestos-containing materials (ACMs) were detected in concentrations greater than 1 percent in textured wall plaster, vinyl floor tile and mastic, exterior window caulk in certain buildings. Additionally, polychlorinated biphenyls (PCBs) of varying levels were detected in exterior window caulk and sealant on exhaust pipes in certain buildings. A hazardous material work plan has been developed by the general contractor and subs accordingly, and environmental monitoring is conducted throughout the demolition and abatement period.

5.4. Demolition

As noted above, abatement and demolition will take place in 3 phases, with subgroup 1 and 2 starting in October 2021 and subgroup 3 starting in January 2022. Demolition will be complete by the time the infrastructure improvements start in February 2022. The demolition budget was included in the predevelopment request for funds.

5.5. Relocation

Since January 2020, the Authority, Mercy, HOPE SF and MOHCD have coordinated to relocate a total of 58 households within the footprint of Phase 1A3 before February 2021, so that infrastructure construction could start in July 2021 after abatement and demolition of the existing buildings. All residents within this phase are part of Group A. This relocation plan was approved by the Authority Commission in December 2020. However, due to COVID, the City had enacted an emergency health order that limited relocation planning, rehabs of public housing

units and physical moves to the rehabbed units on site. In addition, lack of appropriately sized units for households to be relocated also delayed moves. While some rehabs and relocations of residents did take place during this time, not enough of the footprint was vacated for construction to start on time.

In January 2021, the Authority, Mercy, Related, HOPE SF and MOHCD reevaluated the original Phase 1A3 relocation plan by creating subphases within the footprint, which minimizes delays in construction start. The Authority targeted relocation efforts by identifying additional vacant units on site to accommodate households within Phase 1A3, rightsizing over-housed households in later phases to accommodate Phase 1A3 households, identifying units to merge to accommodate larger households and finalizing noticing residents to move. As of September 30, 2021, all residents within subgroup 1 and 2 had moved. Those buildings within the subgroups will be abated and demolished starting in October. Residents in subgroup C will move directly into Block 6, when it becomes eligible for occupancy in November 2021. If residents do not move from this Phase by December 2021 as previously agreed, the daily rate for the field office and home office overhead charges just for the Phase 1A3 demolition/abatement contract is approximately \$6,000 per calendar day.

The relocation costs related to the rehab of vacant units on site and relocation benefits for those residents within the Phase 1A3 footprint will be covered by a grant from the City to the Authority.

5.6. Permits & Planning Review

The Sponsor submitted a Phase Application to the Planning Department in December 2019 that included the scope of the vertical and horizontal development and how the phase relates to the previous and future phases.

The infrastructure construction for Rights of Way (ROWs) and utilities must be reviewed and approved by the City through Street Improvement Permit (SIP) applications. The DPW-ITF does intake of these drawings and coordinate the review and comments by PW, Planning, SFMTA, San Francisco Public Utilities Commission (SFPUC), Fire Department (SFFD), and Department of Technology. Most recently, the Sponsor submitted the 100% SIP version 3 set on September 29, 2021 for DPW-ITF's review.

On October 14, 2021, the Department of Building Inspection (DBI) approved the permit for the demolition of the 13 existing buildings.

Finally, the Project is required to submit a master asbestos dust mitigation plan. The Sponsor will submit this plan to the Bay Area Air Quality Management Department (BAAQMD) by November and expects final approval towards the end of this calendar year.

As noted in Principal Development Issues, coordination with various infrastructure agencies is outlined in the DA as well as a schedule. OEWD is leading the work with City partners, including Planning and the DPW Task Force, to achieve a timely review; however, there are many DA projects under review at the City currently. Costs for OEWD coordination services are paid directly by MOHCD. Current Street Improvement Plan (SIP) was provided to DPW Taskforce on September 29th. Per the Development Agreement, the Taskforce has 30 days to review and opine on the drawings. In the event that these are not provided by Oct 29th, 2021, the Project could see delays. The Sponsor is working with OEWD project manager and the Taskforce to meet these timelines.

5.7. Mapping

Sunnydale HOPE SF has an approved Master Tentative Map. Prior to infrastructure commencement, the Sponsor will submit a Final Map application for the Phase 1A3 area. The Final Map is on track to be packaged for BOS hearing by December 2021, with approval by consent by January 2022.

5.8. 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.

Due to the lack of on- and off- street parking and inadequate transit opportunities, the Sponsor has proposed increases to off-street parking at Blocks 3A, 3B, 7 and 9 to a 0.75 ratio. The updated breakdown of the number of on-street spaces in building block and off-street parking associated with each built property is listed below, based on construction.

Phase	Block	Units	On-Street Spaces*	Off-Street Spaces**	Total Spaces	Spaces / Unit	Parking Ratio Per Development, excludes On-Street
	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

HOPE SF, MOHCD, SFMTA and SF Planning need to work closely to address parking challenges while also considering the limited transportation options available for large families. 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 across the phases due to increased density, many residents feel they are losing an amenity especially when they rely on the inadequate public transit system for basic travel 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. Reductions in transit service during COVID-19 have exacerbated the problem and may have further limited future transportation investments for the HOPE SF communities. SFMTA was awarded a Visitacion Valley community planning grant in 2021-2022 that will look at viable transportation options for the neighborhood.

5.9. Roads

5.9.1. Existing Roads

Sunnydale Avenue, an existing residential street, will be realigned in this phase from Hahn to Santos. Additionally, sidewalk enhancement will be done on Hahn Street. As part of the Blocks 3A and 3B vertical development, the Sponsor may need to install the sewer laterals in the new Harmonia Street to the south of the Project Area.

5.9.2. Design

The two-way, impervious asphalt over concrete, paved street will include sharrows, curb and gutter, sidewalks, on-street loading zones, street trees with grates, street & pedestrian lighting, corner bulb-outs with ramps and crosswalks, ornamental planters, street furnishings (e.g. street signs, utility meter boxes, sewer traps/vents, fire hydrants, fire pull boxes, site benches, bike racks, irrigation control boxes and covers, bollards, etc.), underground utilities, and combined sewer system (CSS) with manholes & catch basins, domestic water, auxiliary water supply system (AWSS), and joint trench (electrical/gas/telecommunications/street light conduit).

5.10. Open Space. N/A. This phase does not include open space.

5.11. Market Rate Parcels. N/A. This phase does not include any market rate parcels.

5.12. Utilities to Parcels

Irrigation, domestic water, AWSS, combined sewer services, electrical, gas and telecommunications utilities will be installed to serve Blocks 1, 3A and 3B, and as well as the surrounding area. These agencies will be reviewing and approving the installations:

- SFPUC is responsible for reviewing and approving the installation of all street lighting & electrical, irrigation, domestic and AWSS, stormwater management and Combined Storm Sewer and Grading and Overland Release;
- PG&E is responsible for natural gas install; no gas is contemplated for the new buildings
- AT&T for telecommunications;
- Department of Technology for emergency communications and City fiber installation; and
- DPW for road and sidewalk construction including accessible path of travel. Utility connections will be typical and comply with utility company and City standards.

The Sponsor will start the City acceptance process for all utilities and street improvements in January 2023 upon substantial completion of the infrastructure construction.

6. CONSTRUCTION SUPERVISOR

This phase of Infrastructure work at Sunnydale is smaller than both the one preceding it and the one to follow, and likely will be the smallest phase in the overall build-out. This does not mean it is without its own complexities and challenges, especially at the permanent connection to existing City infrastructure at Hahn Street, and to the existing infrastructure to the west which will be replaced in the next phase. This will require the westernmost section of Sunnydale that is being built in this phase to be at both an interim grade and in an interim alignment, both of which will need to be adjusted in the next phase of work.

As with all the HOPE SF Infrastructure work, the design is based on the Master Plan and the Design Guidelines, leaving very little to the discretion of the design team, and no opportunities to adjust the scope to save costs. The team has worked diligently to think through the constructability issues and apply lessons learned from the previous phase, especially with regards to coordinating with PG&E on the gas, which is needed to service existing public housing buildings at Sunnydale, even though all of the new buildings within 1A-3 will be all-electric.

As it has now become customary, MOHCD requested a review by DPW of the contractor's unit pricing for various scopes of work. Some items came in under what DPW would have expected based to recent, comparable projects, and some items came in over, for a net of about a million dollars "over" budget, or roughly 10% of the Project cost. In looking through the items line by line with Mercy's Construction Manager, several of the items seem to have been incorrectly estimated by DPW, and when correcting for this, the pricing comes in closer to 7% "over" budget. Given the current pandemic-related escalation in materials and the always escalating cost of labor, this seems reasonable and well within the range of what would be expected.

7. PRIOR CONDITIONS

Sponsor must complete relocation plan related to demolition of existing buildings and secure the Authority Commission approval.

Status: Completed. The Authority approved the Phase 1A3 relocation plan on December 17, 2020.

Sponsor must submit Phase schedule, including sequencing of relocation, demolition, infrastructure construction and construction start to MOHCD for approval by December 31, 2019.

Status: Completed. See above.

Sponsor must submit Phase Application prior to submission for Planning approval.

Status: Completed. Phase Application submitted August 2019 and approved by Planning in December 2019.

Sponsor must submit Construction Management RFQ to MOHCD for approval and include MOHCD on selection panel. Sponsor must provide Construction Management contract to MOHCD for approval.

Status: N/A. CMD allowed for Phase 1A1/2 Infrastructure Construction Manager to remain on Phase 1A3.

Sponsor to work with the developer of Block 1, in order to analyze whether Block 1 can absorb a portion of the infrastructure loan in eligible basis for New Market Tax Credits. The Sponsor will provide analysis before seeking gap funding.

Status: Completed. See Section 9.1 below. Only rough grading and sewer laterals are included in this budget for Block 1.

8. HORIZONTAL FINANCING PLAN

8.1. Horizontal Financing Narrative

At predevelopment approval for Phase 1A3 infrastructure, it was expected that a portion of the Phase 1A3 infrastructure funds will be assigned to the housing blocks in order to maximize equity funds and reduce MOHCD's contribution to the vertical block. However, due to regulation changes at the California Debt Allocation Committee (CDLAC), affordable housing projects within the City of San Francisco have not proven to be competitive for funding. In

addition, Projects with high construction costs are even less competitive. Assigning a portion of the infrastructure costs to the vertical components is not financially feasible at this time.

A requirement of the original predevelopment loan for Phase 1A3 was an analysis of costs within the Phase 1A3 budget that could be attributed to Block 1, in order to leverage additional funds to offset the Phase 1A3 infrastructure costs. The \$40MM Block 1 Community Center project is financed by New Market Tax Credits (NMTCs) equity and \$28MM in charitable contributions as part of the capital campaign led by the Sponsors, Boys & Girls Club, and Wu Yee to support the development of the Community Center and the neighboring Herz Recreation Center. With both NMTC and the charitable campaign, the Community Center is fully funded. If the Community Center project were to include infrastructure costs in the project budget, these costs would not be covered by tax credit equity, as the project size is already beyond what tax credit investors and Community Development Entities (CDEs) can typically support. Infrastructure costs would have to be covered by an increase to the capital campaign, which has already reached maximum levels for which the team can feasibly fundraise. Furthermore, the Community Center will not be a benefit to the developer (currently, the Sponsor is not receiving a developer fee for this project), but will be an asset for the entire community. The Community Center will be open to the public and Sunnydale and Visitacion Valley residents, as well as visitors from the City at large, will be able to benefit from the services and programs at this facility. Similar to Blocks 3A and 3B, the Phase 1A3 Project budget only includes costs related to rough grading and sewer laterals for the Community Center.

The Sponsor was successful in obtaining an Infrastructure and Infill Grant (IIG) for Sunnydale Block 3B from the State of California Department of Housing and Community Development (HCD) in the amount of \$6.5M. These funds will be used to repay this loan upon start of construction of Block 3B, the first affordable housing block to be built within this infrastructure footprint in the summer of 2022.

The Sponsor is also awaiting word on Block 3A’s application to IIG in the amount of \$5.786M this winter. If awarded, these additional funds will further pay down the MOHCD infrastructure debt to \$13.014M upon construction start of Block 3A by the end of 2022, or beginning of 2023, depending on financing.

The City is bridging both the Block 3B and Block 3A IIG grants. If either Sunnydale Block 3B or 3A is delayed, repayment of the City’s loan will also be delayed.

8.2. Horizontal Uses Evaluation

The Sponsor has based all infrastructure costs on consultation with various consultants and a bid from Nibbi, the Project’s General Contractor. The Department of Public Works has reviewed the GMP scope as of September 22, 2021 and after review, found it to be within approved range. See Section 7 above.

INFRASTRUCTURE DEVELOPMENT BUDGET		
Underwriting Standard	Meets Standard?	Notes
Bid Contingency is at least 5% of total hard costs	Y	Hard cost contingencies are 10%
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	Y	5% escalation is being held to cover costs through start

Construction Management Fees are within standards	Y	Costs are comparable to Phase 1A1/2 contract
Developer Fee is within standards	Y	Total dev fee based on HOPE SF Developer Fee Policy
Soft Cost Contingency is 10% per standards	Y	Soft cost contingency is 10%
Infrastructure Project Management Fees included in Developer Fee	Y	No additional project management fee

Demo/Abatement: As part of predevelopment activities, the Sponsor engaged an environmental consultant to complete a hazardous material testing report and biddable abatement scope of work for the existing buildings. The hard costs related to hazardous materials abatement was originally \$557,000, and the costs related to demolition are \$1,507,000. With this gap request, the new abatement cost increased to \$778,330, an increase of over \$221,630, given better information on the content within the building. At the same time, demolition decreased to \$1,077,907, which resulted in a savings of \$429,555 due to interest and competitive bids from multiple subcontractors.

Hard Cost Contingency: The budget includes \$302,769 in owner hard cost contingency for demolition and abatement and \$1,508,688 in owner hard cost contingency for infrastructure construction, which totals 10% of total hard costs. The Sponsor is also carrying another 5% of the hard costs, or \$905,729, in escalation, to the start of construction in February 2022.

Improvements: At predevelopment, it was estimated that infrastructure improvements would cost approximately \$13.5M inclusive of hard cost contingency and escalation. At gap, this request has increased to \$16.8M reflecting a general contractor's cost estimate and given more detail about the infrastructure project.

Environmental Monitoring: Environmental monitoring has increased from \$158K to \$350K since predevelopment. The original assumption assumed the Site would have similar conditions as the first phase. The increased costs reflect that the Phase 1A3 site has naturally occurring asbestos, which requires more oversight and monitoring than Phase 1A1/1A2.

Permits: Permit costs have decreased from \$2.5M to \$734K, which reflects a substantial savings of \$1.8M. This reflects the team's better understanding of the permit fees associated with infrastructure since predevelopment.

Construction Management Fee: The construction management team for Phase 1A3 comprises Townsend Management Inc and Hollins Consulting Inc (CM), a joint venture. It is estimated that the fees will total \$470,000 for approximately 48 months, or about \$9,800 per month. This duration assumes approximately 30 months of preconstruction, 12 months of construction, and 6 months of project close-out/City acceptance. As a comparison, the Sponsor paid \$607K for 44 months of service (\$13,796/month average) for Phase 1A1/1A2, which is a more complicated phase.

Relocation: The budget includes \$200,660 for relocation expenses related to the move-in of 126 Sunnydale public housing residents into Blocks 3A and 3B once construction is complete.

Security: The General Contractor's costs include \$103K for security cameras to be installed throughout the premises, which is the same system as used on Phase 1A1/2 and highly effective.

This security cost by the General Contractor includes off-site surveillance. In addition, the Project is holding \$75K to cover a construction safety manager position on site at Sunnydale at 0.5 FTE for two years to deter issues such as vandalism, theft and safety for residents. This a Mercy position and was included in Phase 1A1/2 budget as well.

Operating Budget: This budget includes \$248K set aside to cover maintenance of the improvements before City acceptance. However, the Sponsor and DPW-ITF have been working with other City agencies to maintain and operate the improvements from the time of Notice of Completion to acceptance on the previous phase. Negotiations are still ongoing but it is hoped that there will be cost savings at completion.

9. HORIZONTAL DEVELOPER FEE

Per the HOPE SF Developer Fee Policy (Attached as Exhibit B), which is part of the Development Agreement, the Sponsor is eligible for \$454,545 in developer fee for this phase.

Total HOPE SF Developer Fee Disbursement For Infrastructure			
Phase	Square Feet	% of fee	Fee amount earned
1A1 Infrastructure	124,411	9.09%	\$454,500
1A2 Infrastructure	102,881	9.09%	\$454,500
1A3 Infrastructure	207,020	9.09%	\$454,545
1B Infrastructure	333,413	9.09%	\$454,545
1C Infrastructure	106,830	9.09%	\$454,545
2A Infrastructure	354,425	9.09%	\$454,545
2B Infrastructure	216,943	9.09%	\$454,545
2C Infrastructure	289,388	9.09%	\$454,545
3A Infrastructure	129,791	9.09%	\$454,545
3B Infrastructure	209,483	9.09%	\$454,545
3C Infrastructure	40,026	9.09%	\$454,640
Totals	2,114,610	100%	\$5,000,000

HOPE SF Developer Fee Disbursement For Infrastructure		
Payment Milestone	% of Project Mgmt. Fee	Amount
60% Construction Documents	15%	\$68,181
Construction Commencement	25%	\$113,636
50% Completion of Phase	20%	\$90,909
DPW Determination of Completion	30%	\$136,364
BOS Acceptance	10%	\$45,455
Total Developer Fee	100%	\$454,545

10. STAFF RECOMMENDATIONS

10.1. Proposed loan/grant terms

Financial Description of Proposed Loan	
Loan Amount:	\$25,072,111
Loan Term:	55 years

Loan Maturity Date:	2074
Loan Repayment Type:	Deferred, In-kind transfer of work product to City
Loan Interest Rate:	0%

10.2. Recommended conditions prior to closing gap

- Receipt and approval of final cost estimate/GMP by MOHCD.
- Execution of Notice to Proceed
- Final Subdivision Map
- Board of Supervisors approval of loan

10.3. Conditions of Loan

- Sponsor to provide board of directors' approval to execute loan in time of BOS approval date.
- The Sponsor will work with MOHCD and HCD to request reimbursement of City with IIG awards at construction start of 3B and 3A.
- The Sponsor will continue to contain costs and in the event that updated cost estimates come in below what is approved by Loan Committee, the MOHCD loan will be reduced accordingly, including removing escalation.

11. LOAN COMMITTEE

11.1. Modifications

11.2. Recommendations

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

APPROVE DISAPPROVE TAKE NO ACTION

Date: _____

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

Salvador Menjivar, Deputy Director for Programs
Department Homelessness and Supportive Housing

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Date: _____

Tonja Lediju, Chief Executive Officer
San Francisco Housing Authority

ATTACHMENTS

- A. HOPE SF Project Summary
- B. Applicable HOPE SF Developer Fee Policy
- C. Project Milestones and Schedule
- D. Site Map with Amenities
- E. Infrastructure Development Budget
- F. Infrastructure Operating Budget

Chavez, Rosanna (MYR)

From: Ely, Lydia (MYR)
Sent: Tuesday, November 9, 2021 4:29 PM
To: Chavez, Rosanna (MYR)
Subject: 11/5/21 Loan Committee -- Sunnydale Infrastructure 1A3

Hi Rosie,
I approve of the funding request for Sunnydale Infrastructure Phase 1A3 which was at Loan Committee 11/5/21.

Thank you,
Lydia

Lydia Ely
Deputy Director for Housing
SF Mayor's Office of Housing and Community Development
Work from home: (415) 225-2936

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Monday, November 8, 2021 2:41 PM
To: Shaw, Eric (MYR)
Cc: Chavez, Rosanna (MYR)
Subject: REQUEST FOR INFRASTRUCTURE GAP FUNDING FOR SUNNYDALE HOPE SF

I approve the new loan in the amount of \$19,272,111 for Sunnydale HOPE SF Phase 1A3 Infrastructure Gap, making the total loan of up to \$25,072,111 (Previous City Funds Committed \$5,800,000)

salvador



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

Learn: hsh.sfgov.org | **Follow:** [@SF_HSH](https://twitter.com/SF_HSH) | **Like:** [@SanFranciscoHSH](https://www.facebook.com/SanFranciscoHSH)

CONFIDENTIALITY NOTICE: This e-mail is intended for the recipient only. If you receive this e-mail in error, notify the sender and destroy the e-mail immediately. Disclosure of the Personal Health Information (PHI) contained herein may subject the discloser to civil or criminal penalties under state and federal privacy laws.

Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, November 5, 2021 12:11 PM
To: Chavez, Rosanna (MYR)
Cc: Ely, Lydia (MYR)
Subject: Sunnydale Ph 1A3 infrastructure funding, 11.5.21 Loan Committee

I approve the infrastructure gap funding request for the Sunnydale Phase 1A3 project, as presented at the 11.5.21 Loan Committee



Sally Oerth
Interim Executive Director

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
📞 415.749.2588
🏠 www.sfocii.org

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, November 5, 2021 12:10 PM
To: Chavez, Rosanna (MYR)
Subject: Sunnydale HOPE SF

Approve

Bridget Katz

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

Chavez, Rosanna (MYR)

From: Linda M. Mason <masonl@SFHA.org>
Sent: Friday, November 5, 2021 12:12 PM
To: Chavez, Rosanna (MYR)
Subject: Approval Authority - approval
Attachments: LCagenda 11-5-2021.pdf; Sunnydale HOPE SF Phase 1A3 Gap Loan Eval - Loan Committe 11-5-2021.pdf

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

The Housing Authority approves the Sunnydale HOPE SF Phase 1A3 Infrastructure Gap up to \$25,072,111.

Thank you.

Attachment A: HOPE SF Project Summary

HOPE SF Initiative:

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

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

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

Project Summary:

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

The Sunnydale HOPE SF master planning process included an extensive resident and community engagement that spanned over 18 months. The goals for the revitalization of Sunnydale are 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.

Project Funding Summary – Funded to Date:

Master Planning Funding to Date:

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

Total Master Planning Sources	Amount	Status
HOPE SF Loan 1	\$1,400,000	Disbursed
HOPE SF Loan 2	\$1,724,593	Disbursed
HOPE SF Loan 3	\$1,000,000	Disbursed
HOPE SF Loan 4	\$1,123,846	Disbursed
HOPE SF Loan 5	\$1,000,000	Disbursed
HOPE SF Loan 6	\$2,475,000	Disbursed
HOPE SF Loan 7	\$94,878	94,878
HOPE SF Loan 8	\$1,000,000	\$1,000,000
Total	\$9,818,317	

Vertical and Horizontal Funding to Date:

	Amount	Status
Sunnydale Parcel Q Vertical Gap	\$ 12,466,847	Disbursed; Leased up 2019
Sunnydale Block 6 Vertical Gap	\$12,910,414	Disbursed; Lease up Nov 2021
Sunnydale Phase 1A1/1A2 Gap	\$28,478,891	Closed May 2019
Sunnydale Phase 1A3 Predevelopment	\$5,800,000	Closed August 2019
Sunnydale Phase 1A3 Gap	\$19,272,111	This Request
Sunnydale Phase 3A Predevelopment	\$1,850,000	Closed Jan 2020
Sunnydale Block 3B Predevelopment	\$1,850,000	Closed Jan 2020
Sunnydale Phase 3 Infrastructure Predevelopment	\$4,000,000	Closed Sept 2021
Sunnydale Block 7 Predevelopment	\$2,820,000	Closed Sept 2021
Sunnydale Block 9 Predevelopment	\$3,500,000	Closed Sept 2021
	\$92,948,263	

Overall Funding and Ownership Structure:

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

All affordable parcels will be ground leased to the vertical LP entity by the Authority for 99 years. All market rate parcels, once improved by the infrastructure LLC, will be sold fee simple by Authority 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 Authority 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 CBOs for case management services and legal and housing groups on legal support to residents.
- Working closely with SFHA, which will manage the household moves
- Work with Mercy property management, who will manage the new housing units, to develop and execute a plan for a seamless lease up, move in and transition of households into the new units.
- Work with the Mercy resident services coordinator for the new development for a "warm handoff" of households from the Mercy Sunnydale Resident Services team so that residents continue to obtain resident services support from Mercy Housing in the new development.

Attachment B: Applicable HOPE SF Developer Fee Policy

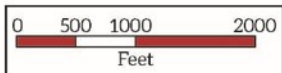
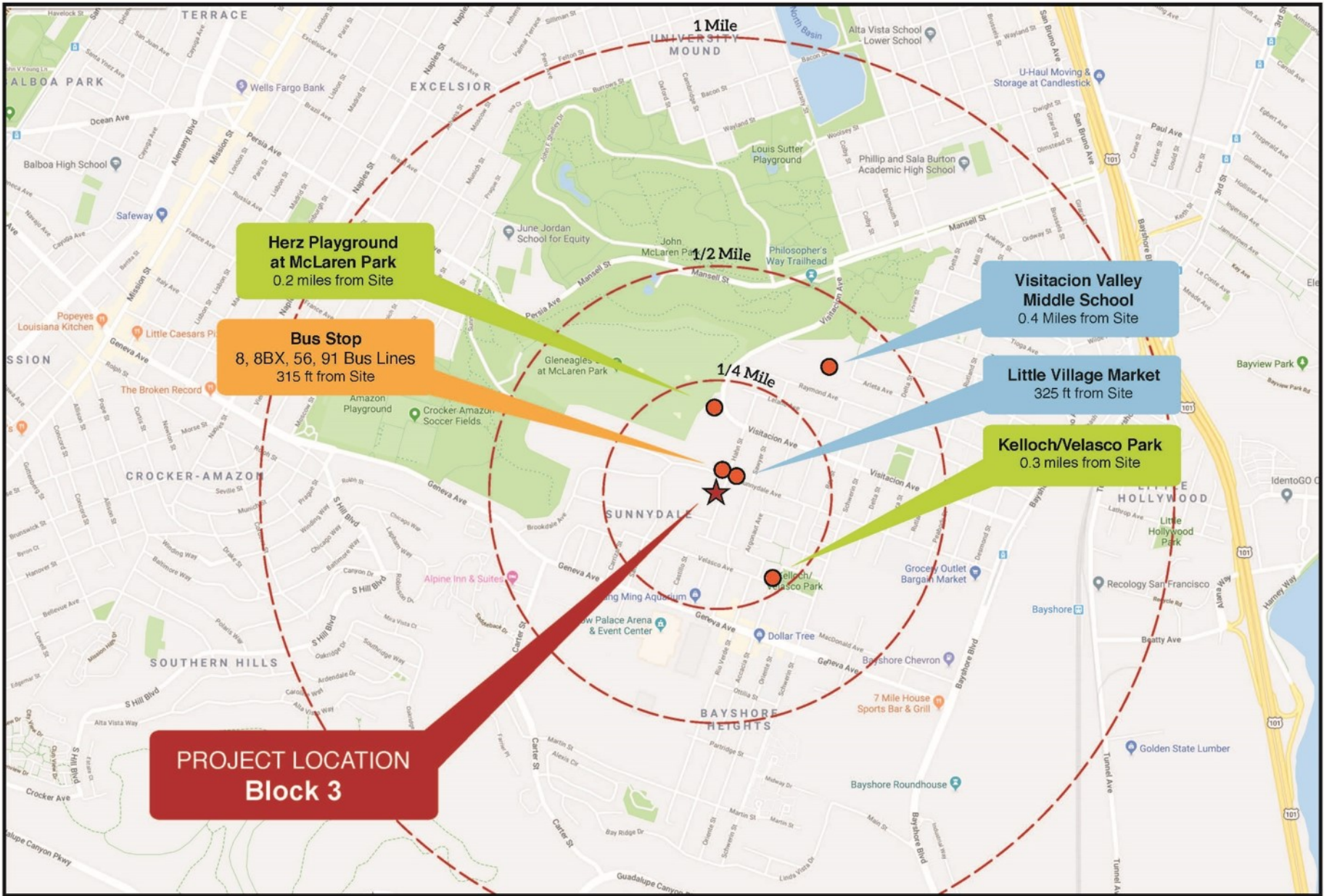
The HOPE SF Developer Fee Policy for Sunnydale HOPE SF is attached as Exhibit B to this loan evaluation. A summary of the policy is as follows:

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

Attachment C: Project Milestones and Schedule

Phase 1A3 Horizontal		
Task	Initiate	Complete
Phase Application Submittal	08/2019	12/2019
Street Improvement Permit Plans: Design and Permitting	09/2019	02/2022
Final Map for this phase	12/2021	02/2022
Street Improvement Plans and Specs, Final Map and Public Improvement Agreement approved by BOS and signed/recorded	12/2021	02/2022
Abatement and Demolition of Existing Buildings under License Agreement	10/2021	04/2022
Infrastructure Construction	02/2022	12/2022
Block 3 vertical construction (see above) with some infrastructure construction overlapping	06/2022	04/2024
Estimated period for infrastructure departments' approval procedures of infrastructure for formal acceptance by City	01/2023	12/2023

Attachment D: Site Map with Amenities



Community Amenities



Attachment E: Infrastructure Development Budget

Phase 1A3 Infrastructure Budget

		Allocation							
	Total	Demo/Abatement	Improvements	Block 3B	Block 3A	Block 1	Public ROW	Total	
				37,026	36,155	63,598	43,560	180,339 sqft	
				21%	20%	35%	24%	100%	
Acquisition									
9	License Agreements and Ground Leases	\$2	\$0	\$2			\$2	\$2	
	Total Acquisition Costs	\$2	\$0	\$2	\$0	\$0	\$2	\$2	
Hard Costs									
12	General Requirements & Conditions	\$2,629,845	\$1,136,679	\$1,493,166	\$102,542	\$100,129	\$176,131	\$2,251,043	\$2,629,845
14	Building Demolition	\$1,077,907	\$1,077,907	\$0	\$221,309	\$216,103	\$380,133	\$260,363	\$1,077,907
15	Hazardous Materials Abatement	\$778,330	\$778,330	\$0	\$159,802	\$156,042	\$274,484	\$188,002	\$778,330
16	Screen Fencing / Community Design	\$0	\$0	\$0			\$0	\$0	\$0
28	Infrastructure Construction	\$11,709,291	\$0	\$11,709,291	\$325,204	\$317,554	\$558,590	\$10,507,942	\$11,709,291
17	Grading & Paving	\$0	\$0	\$0			\$0	\$0	\$0
18	Storm, Sewer, Water, Power, Joint Trench	\$234,214	\$234,214	\$0			\$234,214	\$234,214	\$234,214
19	Kubota Ductile Iron Pipes and Fitting	\$207,745	\$207,745	\$0			\$207,745	\$207,745	\$207,745
20	Planting & Irrigation	\$0	\$0	\$0			\$0	\$0	\$0
21	Site Concrete	\$0	\$0	\$0			\$0	\$0	\$0
22	City of SF Business Tax	\$51,385	\$15,726	\$35,659	\$2,004	\$1,956	\$3,441	\$43,984	\$51,385
23	GC Prop. Liability & Damage Insurance	\$293,099	\$48,960	\$244,139	\$11,428	\$11,160	\$19,630	\$250,881	\$293,099
24	GC Overhead & Profit	\$441,552	\$79,284	\$362,268	\$17,217	\$16,812	\$29,573	\$377,951	\$441,552
25	GC Payment & Performance Bond	\$109,760	\$19,708	\$90,052	\$4,280	\$4,179	\$7,351	\$93,950	\$109,760
26	GC Construction Contingency	\$581,450	\$116,450	\$465,000	\$22,672	\$22,138	\$38,942	\$497,698	\$581,450
27	GC Estimating/Design Contingency	\$0	\$0	\$0			\$0	\$0	\$0
	Subtotal Hard Costs	\$18,114,578	\$3,715,003	\$14,399,575	\$866,456	\$846,074	\$1,488,275	\$14,913,772	\$18,114,578
30	Hard Cost Contingeny	\$1,811,458	\$302,769	\$1,508,688	\$129,968	\$126,911	\$223,241	\$2,237,066	\$2,717,187
	Escalation	\$905,729		\$905,729			\$0	\$0	\$0
	Total Hard Costs	\$20,831,764	\$4,017,772	\$16,813,992	\$996,425	\$972,985	\$1,711,517	\$17,150,838	\$20,831,764
	2,717,187								
Soft Costs									
34	Civil Engineer	\$348,300	\$258,000	\$90,300			\$348,300	\$348,300	\$348,300
35	Stormwater Mitigation Designer	\$169,962	\$130,740	\$39,222			\$169,962	\$169,962	\$169,962
36	Landscape Architect	\$135,070	\$103,900	\$31,170			\$135,070	\$135,070	\$135,070
37	Civil Administrative Fee	\$17,579	\$10,540	\$7,039			\$17,579	\$17,579	\$17,579
38	Surveyor/Mapping	\$10,000	\$10,000	\$0			\$10,000	\$10,000	\$10,000
39	Utility Design (Joint Trench)	\$294,500	\$104,500	\$190,000			\$294,500	\$294,500	\$294,500
40	Master Plan Architect (Coordination)	\$0	\$0	\$0			\$0	\$0	\$0
41	Open Space Schematic Design	\$0	\$0	\$0			\$0	\$0	\$0
42	Geotechnical Engineer	\$25,500	\$25,500	\$0			\$25,500	\$25,500	\$25,500
43	Environmental Consultant (Phase I/II)	\$68,460	\$68,460	\$0			\$68,460	\$68,460	\$68,460
44	Environmental Monitoring	\$350,000	\$0	\$350,000			\$350,000	\$350,000	\$350,000
45	HazMat Testing and Reports	\$66,900	\$66,900	\$0			\$66,900	\$66,900	\$66,900
46	Infrastructure Construction Manager	\$469,421	\$257,632	\$211,789			\$469,421	\$469,421	\$469,421
47	Relocation & Security Manager	\$275,660	\$0	\$275,660			\$275,660	\$275,660	\$275,660
48	Permit Fees & City Plan Check Fees	\$606,945	\$191,247	\$415,698			\$606,945	\$606,945	\$606,945
49	Insurance	\$180,000	\$100,000	\$80,000			\$180,000	\$180,000	\$180,000
50	Legal for Developer	\$160,000	\$120,000	\$40,000			\$160,000	\$160,000	\$160,000
51	Maintenance Prior to Dedication to City	\$248,341	\$0	\$248,341			\$248,341	\$248,341	\$248,341
52	Misc. Expenses (incl. travel, meal, etc.)	\$15,000	\$7,500	\$7,500			\$15,000	\$15,000	\$15,000

Subtotal Soft Costs	\$3,441,638	\$1,454,918	\$1,986,719		\$3,441,638	\$3,441,638
55 Soft Cost Contingency	\$344,164	\$145,492	\$198,672		\$344,164	\$344,164
Total Soft Costs	\$3,785,802	\$1,600,410	\$2,185,391	\$0	\$0	\$0

58 Developer Fee	\$454,545	\$181,818	\$272,727		\$454,545	\$454,545
------------------	-----------	-----------	-----------	--	-----------	-----------

TOTAL USES	\$25,072,111	\$5,800,000	\$19,272,111	\$996,425	\$972,985	\$1,711,517	\$21,391,185	\$25,072,111
-------------------	---------------------	--------------------	---------------------	------------------	------------------	--------------------	---------------------	---------------------

Request/SF	\$139	\$32	\$107
------------	-------	------	-------

	Total	Per Unit	PSF
Hard Costs	\$20,831,764	\$122,540	\$116
Soft Costs	\$3,785,802	\$22,269	\$21
Developer Fee	\$454,545	\$2,674	\$3
Request	\$25,072,111	\$147,483	\$139

	Acres	SF	Percent	Asso Costs
Phase 1A3 Area	180,338	4.14	100%	\$25,072,111
Block 1 Development Site	63,598	1.46	35%	\$8,841,856
Block 3A Development Site	36,155	0.83	20%	\$5,026,534
Block 3B Development Site	37,026	0.85	21%	\$5,147,656
Public Right-of-Way	43,560	1.00	24%	\$6,056,065

Sources:	
3B AHSC	\$ 6,500,000
3A AHSC	\$ 5,786,000
MOHCD Debt	\$ 12,786,111

Attachment F: Infrastructure Operating Budget

The operating costs are anticipated to be \$175,000, which would be the cost of maintenance of the constructed street and utility infrastructure prior to City Acceptance and of the infrastructure that is not accepted by the City but is under Sponsor/Developer ownership.