

HOPE SF HORIZONTAL LOAN REQUEST

Sunnydale HOPE SF \$4,000,000 Funding Amount Infrastructure Phase 3 (1B, 1C & 3C) Predevelopment Loan Request

Evaluation of Request for:	Horizontal Predevelopment
Loan Committee Date	May 7, 2021
Prepared By:	Sara F. Amaral
Source of Funds Recommended:	\$3,500,000 - 2015 GO Bond for Affordable Housing \$500,000 – Low Moderate Income Housing Fund
Previous Funds Awarded:	None
NOFA/PROGRAM/RFP:	HOPE SF
Applicant/Sponsor Name:	Related California (“Related”) & Mercy Housing California (“Mercy”)

Sponsor Information

Phase Name:	Infrastructure Phase 3 (Phases 1B, 1C & 3C)	Sponsor:	Related & Mercy
Phase Location:	Santos St btwn Sunnydale Ave & Velasco Ave, 94134	Ultimate Borrower Entity:	To Be Determined, LLC

Project Summary

The third infrastructure phase (Infrastructure Phase 3) of the Sunnydale HOPE SF Master Plan is comprised of Phases 1B, 1C, and 3C (Project). Phase 3 follows the first phase (Phases 1A1/1A2) and second phase (1A3). Phases 1B and 1C are located to the west of Phases 1A1/1A2 and 1A3, covering the intersection of Sunnydale Avenue and Santos Street, down to Velasco Ave, and east to Sunrise Way. Altogether, Phases 1B, 1C, and 3C are approximately 7.97 acres (347,233 sqft) and will eventually include two new 100% affordable housing projects (Blocks 7 and 9), two market rate sites (Blocks 8A and 8B), and two open spaces (Blocks 2 and 4), as well as new public rights-of-way (ROWS).

A significant aspect of Phase 3 scope is reconstructing Santos St between Sunnydale Ave and Velasco Ave, within Phase 1B and 1C. Santos St will feature a more aligned two-way street. Pedestrian and bicycle connections will be strengthened through wide, tree-lined sidewalks and marked bicycle lanes, linking the Block 2 open space at the northeast corner to the Block 4 open space and continuing south to Geneva Avenue. Several MUNI bus routes serve this important corridor. To ensure site connectivity during this re-construction of Santos Street, a new temporary street will be constructed in Phase 3C on the northwest corner of the Project site near John McLaren School, connecting Sunnydale Ave to Brookdale Ave.

Various relocation efforts are planned as part of this scope. Phase 3C contains the current Sunnydale Wellness Center, Youth Center, Boys and Girls Club, San Francisco Housing Authority (SFHA) property management offices, YMCA, Instituto Familiar de la Raza and Mercy Housing offices. Vis Valley Strong Families is located in Phase 1C and Wu Yee Child Care in Phase 1B. With the exception of the SFHA office, it is expected that these services will move to the new Hub once construction is complete in 2024. The Phase 3 predevelopment work will include the evaluation of demolition and construction sequencing relative to the household relocation.

There are approximately 137 public housing units within Phase 3, of which 114 are currently occupied. Households within this phase will receive a 90-day notice in September 2021 to move to the newly constructed Block 6. Upon vacancy, and in order to secure the buildings, the abatement and demolition of the vacant buildings can begin as early as Summer 2022, with infrastructure improvements starting in Spring 2023. If this relocation strategy is not successful or delayed, at the latest, this phase will be fully vacated and infrastructure construction can commence after the completion of Blocks 3A and 3B in 2024-2025.

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:	2.45 acres	Total Parcel Size:	7.97 acres/347,233 sqft
Total Street Area:	1.22 acres	Master Plan Architect:	VMWP
TDC:	\$39,821,753	Civil Engineer:	KPFF
TDC/SF:	\$115	TDC Less Land Cost/SF:	\$115
Loan Amount Requested:	\$4,000,000 in predevelopment	Request Amount/SF:	\$12 sqft in predevelopment

PRINCIPAL DEVELOPMENT ISSUES

- **Development Team:** The Sponsors recognize that the amount of infrastructure planning work is considerable, especially for a Project of this size with three street re-alignments, two new open spaces and the preparation of four new housing blocks. The Sponsor has doubled the amount of funds requested to pay for construction management oversight, enabling the Sponsors to focus more of their effort on the vertical developments. See Section 2.1.
- **Resident Relocation:** The construction of Infrastructure Phase 3 requires the relocation of 137 households plus office spaces (e.g., SFHA property management office, Mercy office, and other community based organization (CBO) offices). Opportunities for permanent on-site relocation include Block 6 (TCO: October 2021), Block 3B (TCO: June 2024), and Block 3A (TCO: December 2024) and off-site relocation includes Balboa Park Upper Yard (TCO: December 2023). As part of predevelopment, the Sponsor will work with MOHCD, SFHA, and the project team to determine the ideal project schedule to avoid a long delay in between phases but also to minimize the impact of relocation on residents and organizations. See Section 6.3.
- **Interagency Coordination.** Coordination with various infrastructure agencies is critical, as 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. See Sections 6.5 and 8.
- **Funding.** As part of the predevelopment scope, the Sponsor will assess the applicability of non-City funds to help with the development and construction of the infrastructure. Possibilities include the State's Infrastructure Infill Grant ("IIG") and Affordable Housing & Sustainability Communities ("AHSC") Program and federal or state economic stimulus funding. See Section 8.1.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$4,000,000	57 yrs. @ 0%	This Request

Permanent Sources	Amount	Terms	Status
MOHCD	\$40,335,599	0% interest/Payable in-kind	Not Committed
Total	\$40,335,599		

Uses	Amount	Per Estimated New Unit*	Per SF
Hard Costs	\$31,381,373	\$144,615	\$90.38
Soft Costs	\$7,745,134	\$35,692	\$22.31
Developer Fee	\$1,209,090	\$5,572	\$3.48
Total	\$40,335,597	\$185,878	\$116.16

*The total estimated new housing units to be built within Infrastructure Phase 3 is 217 between affordable Blocks 7 and 9 and market rate blocks 8A and 8B.

1. BACKGROUND.

1.1. Project History Leading to This Request

Below is a condensed history of the Project. For a detailed history of the Sunnydale Master Plan and phasing of the project, please see Attachment A.

Status of existing Sunnydale projects:

- Parcel Q (Casala), the first affordable housing project, includes 55 units. In February 2020, the building was 100% leased up. Permanent conversion was completed in November 2020 and a Placed-in-Service package was submitted to TCAC the following month.
- Phase 1A1 & 1A2, the first infrastructure phase, began abatement and demolition in February 2019 and infrastructure construction in July 2019. The project is expected to be substantially completed by April 2021, commencing the city acceptance process.
 - Block 6, the second affordable housing project, includes 167 units. Construction is expected to be completed by November 2021 with lease-up to begin right away.
 - Block 5 will be the first market rate parcel to be available for sale. Given the COVID pandemic, plans to market and sell the parcel to a third-party developer were paused. The Sponsor will work with MOHCD on revising the project schedule.
- Phase 1A3, the second infrastructure phase, is expected to begin abatement and demolition by summer 2021, pending SFHA’s ability to relocate all residents from within the phase boundary. Infrastructure construction will require an additional six to eight months.
 - Block 3B, the third affordable housing project, includes 90 units. Block 3A, the fourth affordable housing project, includes 80 units. Currently, the Sponsor is aiming to start construction on these two projects in July 2022 and January 2023, respectively. The projects are at 100% design development, and the Sponsor is working on assembling the project financing, including application submittals for AHSC and IIG.

This is the first request for the Sponsor for Infrastructure Phase 3.

	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
		522	140	662

2. BORROWER/GRANTEE PROFILE

As is similar on all other previous phases of infrastructure, the Borrower of this infrastructure predevelopment loan will be a to-be-determined LLC whose sole members are Mercy and Related entities.

2.1. Development Team for Infrastructure

Infrastructure Phase 3 is 36% larger than the Phase 1A1/2, which is currently under construction. Due to the size, scope, and complexity, the Sponsor is planning for the infrastructure construction manager to take on more strategy, coordination and oversight work than in previous phases. Phase 3 includes the reconstruction of the entire length of Santos Street with major new utilities, the construction of a new temporary road at the top of the Sunnydale site and four new permanent intersections, the preparation of four housing sites and the development of two open space blocks. As such, the budgeted line item for construction management has doubled from previous phases. Mercy will be the lead project manager for this infrastructure phase.

The Sponsor received approval from Contract Management Division (CMD) to utilize the same consultants included in the original development team that proposed on the Sunnydale HOPE SF project. That includes KPFF, Merrill Morris, Engeo, VMWP, MIG, Martin Ron & Associates, AEW, Gubb & Barshay and Farella Braun and Martel. As such, the core team for Infrastructure Phase 3 is expected to be consistent with Sunnydale’s prior infrastructure phases. All other consultants listed as TBD below with an anticipated contract amount above CMD’s max contract limit for a non-competitive bid will be competitively procured as part of the predevelopment process.

Infrastructure Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Project Manager	Mercy & Related		N
Civil Engineer	KPFF		N
Landscape Architect	Merrill Morris	SBE/LBE	N
Joint Trench Consultant	TBD		Y
General Contractor	TBD		Y

Owner's Rep/CM	TBD		Y
Financial Consultant	N/A		Y
Geotechnical	ENGEO		N
Legal	Gubb & Barshay LLP and Farella Braun & Martel LLP		N
Master Plan Architect	Van Meter William Pollack		N
Stormwater Management Designer	MIG		N
Surveyor/Mapping	Martin Ron & Associates		N
Environmental Consultant	AEW	LBE	N

3. PRIOR MOHCD FUNDING FOR CURRENT REQUEST

N/A. This is the initial funding request related to Phase 3.

4. SITE DESCRIPTION

Phases 1B/1C form a contiguous site centered along Santos St between Sunnydale Ave and Velasco St. It is bordered to the east by Phase 1 (Phase 1A1/1A2) and Phase 2 (Phase 1A3), the first two infrastructure phases within the Sunnydale HOPE SF project; McLaren Park to the north; existing public housing buildings to the west; and single family homes to the south. This infrastructure scope also includes the demolition of two public housing buildings in Phase 3C at the western edge of the Sunnydale HOPE SF site to create a temporary road connecting Sunnydale Ave and Brookdale Ave, which will serve as a detour path for residents within the community. Phase 3C is bordered by the John McLaren School to the west and existing public housing buildings to the north, east, and south.

Infrastructure Phase 3 will support the development of two new 100% affordable housing buildings, Blocks 7 and 9. Block 7 is estimated to be 69 units and will be located on the northeast corner of Santos St and the new segment of Sunrise Way. Block 9 is estimated to be 100 units and will be located on the northwest corner of Sunnydale Ave and Santos St. Two market rate sites, Blocks 8A and 8B on the southeast corner of Santos St and Sunrise Way, also are located within the Infrastructure Phase 3 footprint. Together, Blocks 8A and 8B are about 2.09 acres. Finally, Infrastructure Phase 3 will include the development of two new open spaces, Blocks 2 and 4. Block 2 will be adjacent to the currently designed Block 1 community center and provide a gateway into Herz Park. Block 4 is directly south of Block 2 extending the open space corridor south.

The Infrastructure Phase 3 work will facilitate the following vertical development:

	SF	Acres	% of Site	Assoc. Costs
Affordable Housing				
Block 7 (69 units)	44,404	1.02	13%	\$5,176,828
Block 9 (100 units)	52,280	1.20	15%	\$5,973,263
Market Rate Housing*				
Block 8A	50,464	1.16	15%	\$827,187
Block 8B	40,593	0.93	12%	\$661,749
Open Space				
Block 2	33,637	0.77	10%	\$3,982,175
Block 4	72,873	1.67	21%	\$8,362,568
Public Right-of-Way	52,982	1.22	15%	\$14,837,982
Total	347,233	7.97	100%	\$39,821,753

*Market Rate housing projects only reflecting demo/abate and making pad ready

5. PROPOSED PROPERTY OWNERSHIP STRUCTURE

The ownership structure and sequence is contemplated as follows:

The to-be-determined LLC (LLC) entity will execute a short-term construction license agreement with SFHA through which the LLC will abate and demolish the existing buildings in Phase 3. After demolition, a short-term infrastructure ground lease will be executed between SFHA and the LLC to allow the LLC to construct new utility and street infrastructure, as well as grade and prepare the housing and open space parcel sites.

At construction closing, the private affordable housing parcel sites will be ground leased for 99 years by SFHA to a California limited partnership consisting of Mercy and Related as co-general partners.

The Block 8A and 8B market rate sites will be prepared and marketed to developers to create market rate units. These two blocks will be sold by SFHA to those developers with assistance from the Sponsor.

The Blocks 2 and 4 Open Spaces will be prepared as privately owned, publicly accessible open spaces. Per the Master Development Agreement (MDA), SFHA will sell the two open space parcels to the LLC entity or an affiliate for a nominal cost. The remaining area in this phase will be dedicated as public rights of way to the City for ownership and maintenance, and the SFHA infrastructure ground lease will terminate.

6. HORIZONTAL WORK

6.1. Phasing

Infrastructure Phase 3 is currently contemplated to begin abatement and demolition in 2022 at the earliest or 2024 at the latest. From here through infrastructure construction, the time to finish this work is estimated to take at least 12 months with the schedule to be developed based on the sequencing of the demolition, and new street and utility construction. The grading and infrastructure for Phase 3 is more complicated than the scopes for the previous two phases, including the entire length of Santos Avenue to be completely rebuilt. The predevelopment budget will support design, permitting, and other preconstruction activities. It does not include the cost for a general contractor to abate lead, asbestos, and polychlorinated biphenyls (PCBs) in the existing buildings. The Sponsor will return to loan committee for approval of these costs by Spring 2022.

6.2. Relocation

In order for the abatement and demolition work to start, 114 households within this footprint must relocate. Block 6 will become available in October 2021 and has 125 units available for Sunnydale families with a Right to Return. Per the relocation plan for Sunnydale, Group A households, those residents originally located within the first few demolition phases, will have a first right to a unit at Block 6, even if they have moved to later phases on site. Currently, there are 117 Group A families that will have first option to choose Block 6, 13 of these are currently living in the Phase 3 footprint, and another 48 living within the Phase 1A3 footprint.

There will be 125 units available for residents in Block 6. Group A households, the 1st households to move due to Phase 1A1/2 and Phase 1A3 demolition phases, will receive a notice to move into Block 6, if they choose. Since Phase 3 is the next demolition phase, residents within the Phase 3 footprint will receive a 90-day Notice to Vacate in September 2021 and will be offered a unit at Block 6, if available. Between the Group A households on site and the residents in Phase 3 that will need to move, this accounts for a total of 206 households.

Residents of Group A who prefer not to move will stay in their unit until their demolition phase is called, potentially offering up a unit for Phase 3 residents. Since all households within Phase 3 may not be fully accommodated by Block 6, some households will move into rehabbed units in later phases, vacated by Group A residents moving to Block 6. Between the current vacancies in later phases, plus the 32 vacancies made available when households move to the new Right to Return units at 691 China Basin this spring, and once Group A move from later phases to Block 6, there should be enough to accommodate any remaining households within Phase 3. This is all dependent on the household demographics and unit size matching. The Sponsor, MOHCD and SFHA are working together to understand tenant needs and barriers to move and will present final relocation plan to SFHA Commission in August 2021.

In the event that residents cannot move out of Phase 3 by Spring 2022 when the Block 6 lease up is completed, the Phase 3 demo/abatement and construction will likely be delayed until the end of 2024 when Blocks 3A and 3B are ready move ins and the Phase 3 households occupy those units. In the event that all replacement units in Block 3 are needed for relocation, Phase 3 construction activity will be delayed to a 2025 start. Any delays in Phase 3 will also delay the start of Block 7 and Block 9, which are estimated to start 12 months after demo/abatement start of Phase 3.

Units	Phase 1A3	Phase 3	All other Phases	Total
Vacant	26	19	33	78
Residential Occupied	59	114	389	562
CBO/SFPD/Non-dwelling	1	4	4	9
Total	86	137	426	649
Move to 691 CB	3	4	32	39

Block 6 Potential Moves	56	110	40*	206
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*This number represents Group A residents currently living within later phases with an option to move to Block 6

Relocation planning for the non-residential occupants of Phase 3 will be required as well. The Sponsor will engage these occupants, including Wu Yee Children’s Services, Boys and Girls Club, Youth Center, two Mercy offices which are shared with the YMCA and Instituto, SF DPH Wellness Center, SFHA and Vis Valley Strong Families. The options include identifying temporary facilities and holding off on the demolition of the existing facilities (such as 1652-54 Sunnydale Ave) until the new permanent homes in the Community Center (for Wu Yee and Boys and Girls Club) and Block 3 are constructed.

Mercy’s services team will work with SFHA to address affected residents’ relocation needs as well as those of the non-residential occupants within the phase area. Per the MDA, SFHA leads relocation when current public housing residents need to move due to revitalization. The MDA also requires the Sponsor to present the phased Relocation Plan to the SFHA Commission before any moves can take place. The Sponsor will work with SFHA, MOHCD, and HOPE SF to finalize that plan before presenting to the Commission. Please See Section 7.3 for more information on costs associated with Relocation.

6.3. Permits & Planning Review

The Sponsor will be responsible for submitting a Phase Application for this Project to the Planning Department. The Phase Application describes the scope of the vertical and horizontal development and how the phase relates to the previous and future phases.

Department of Building Inspection (DBI) must permit the demolition of the existing public housing buildings. San Francisco Department of Public Health (DPH) and Bay Area Air Quality Management Department (BAAQMD) must approve the abatement of the lead, asbestos, and other hazards in the buildings.

Prior to the abatement and demolition of the Phase 3 units, the Developer will obtain the SFHA Commission's approval of the phase relocation plan, abatement and demolition license agreement and infrastructure ground lease. The Developer, through the San Francisco Housing Authority, will also obtain HUD's approval of the demolition and disposition of the Phase 3 area. In 2017 HUD provided its Section 18 approval of the demolition and disposition of the Sunnydale/Velasco housing units, and for each phase, SFHA submits infrastructure and vertical ground leases and a request for reconveyance of the existing Declaration of Trust and the recording of new Use Agreements for HUD to approve.

The infrastructure construction (ROWS, utilities, etc.) will be reviewed and approved by the City through Street Improvement Permit applications, which will consist of a basis of design and horizontal drawings at the 60%, 90% and 100% construction document level. The Department of Public Works Infrastructure Task Force (DPW-ITF) will intake these drawings and coordinate the review and comments by DPW, Planning, San Francisco Municipal Transportation Agency (SFMTA), San Francisco Public Utilities Commission (SFPUC), Fire Department (SFFD), and Department of Technology.

None of the above have been drafted or submitted for Infrastructure Phase 3. The Sponsor anticipates preparing and submitting the Phase Application in Fall 2021 after Sponsor and its team have refined and confirmed the proposed infrastructure scope and estimated unit mix and count for this Phase. The other permit applications described above will be submitted to the City in 2022.

As noted in Principal Development Issues, coordination with various infrastructure agencies is outlined in the DA and a phase-specific project schedule. OEWD will be working with City partners, including Planning and the DPW-ITF, 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.

6.4. Mapping

The Master Developer prepared a sitewide Master Tentative Map with conditions, which the Bureau of Street-Use and Mapping (BSM) and DPW Director has approved. During predevelopment, the Sponsor will prepare and submit Final Map applications for Infrastructure Phase 3 improvements and private parcel developments. It is expected that the Final Map will be completed before infrastructure construction commences. The mapping process requires significant coordination among the development team, SFHA, and various city agencies as well as formal review and approval from Planning, BSM, the DPW-ITF, SFHA Commission, and BOS. Timely response especially by key city agencies is important to avoiding delays.

6.5. Roads

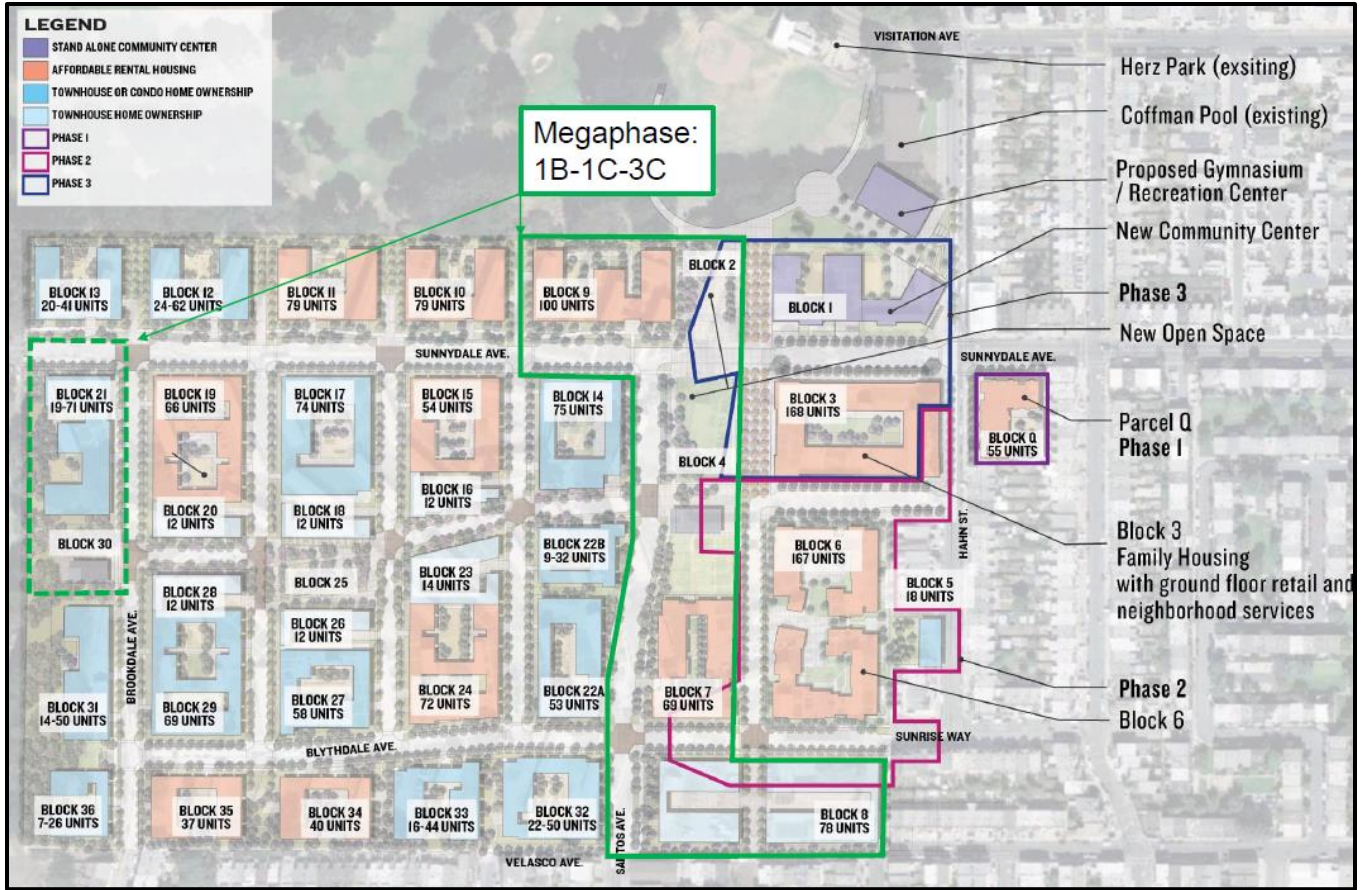
Santos Street, an existing curved residential street, will be realigned to the new street grid in this phase from Sunnydale Ave to Velasco St. The new two-way, impervious asphalt over concrete, paved street will include sharrows, curb and gutter, sidewalks, on-street loading zones, street trees with 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 (combined sewer system (CSS) with manholes & catch basins, domestic water, auxiliary water supply system (AWSS), and joint trench (electrical/gas/telecommunications/street light conduit).

Santos Street is the only street that runs the entirety of the north-south direction within the Sunnydale community currently. The Phase 3 scope includes the closure of Santos and a portion of Sunnydale Avenue, which is a SFMTA bus route. Prior to the closure of these two streets, a new temporary street will be built to connect Sunnydale Ave to Brookdale Ave and provide a north-south artery. This temporary street will be later removed, the area re-graded and developed for a marker rate component within the final phase, expected in 2030.

6.6. Open Space.

Included in Infrastructure Phase 3 are two new open spaces, Blocks 2 and 4. Block 2, approximately 0.77 acres, is bordered by Sunnydale Ave to the south, the currently designed community center (Block 1) to the east, Herz playground to the north, and the Block 9 affordable housing development to the west. Block 4, approximately 1.67 acres, is bordered by Sunnydale Avenue and Block 2 to the north, the Block 3B affordable housing development to the east, the Block 9 affordable housing development to the south, and existing public housing units to the west. Block 4 is contemplated to include a neighborhood green, pavilion, and community garden area. The Planning Department will review the design of these open spaces. The Sponsor will engage the Sunnydale and Visitation Valley community in the programming and design of these two open space blocks. The Sponsor will build off of the community input provided in 2018-2019 for the overall programming and planning of the neighborhood Hub, which includes these two open spaces, the Community Center and Herz Rec Center campus, and the Block 3 ground floor neighborhood retail and amenities.



6.7. Market Rate Parcels.

This phase includes two market rate parcels, Blocks 8A and 8B. Located on the southeast corner of Santos Street and the new Sunrise Way, the two sites comprise approximately 2.09 developable acres and will likely be sold as one developable site. A 2019 analysis by VMWP (the master plan architect) and Polaris Pacific based on the ownership products most likely to be developed at this location suggests a development of approximately 78 market-rate units with townhomes and apartment flats. The Final Map for this phase will include mapping these blocks for condos, and entitling them for market rate development. Prior to the site being pad-ready for development, the Sponsor will be responsible for marketing and selling these parcels to a third-party homebuilder. The Sponsor created a marketing strategy in 2019, but much of the work was put on hold due to the COVID-19 pandemic. The Sponsor and MOHCD will resume discussions to move forward to market these parcels. As a condition of this loan, the Sponsor will provide a draft marketing and analysis plan to MOHCD within 6 months of predevelopment loan closing, with the expectation that the final marketing plan will be approved shortly thereafter. The Sponsor and MOHCD will work on offering these sites for development asap, with the hope that the market rate construction starts at the same time as the affordable projects within the Phase footprint.

6.8. Utilities to Parcels

Irrigation, domestic water, auxiliary water supply system (AWSS), combined sewer services, electrical, and telecommunications utilities will be installed to serve the individual parcels. These agencies will be reviewing and approving the installations:

- SFPUC for street lighting & electrical, irrigation, domestic and AWSS, stormwater

- management and Combined Storm Sewer and Grading and Overland Release;
- AT&T, MonkeyBrains and other providers 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.

7. HORIZONTAL FINANCING PLAN

7.1. Horizontal Financing Narrative

The entire infrastructure amount is paid for by MOHCD. The Sponsor will assess the applicability of non-City funds to help with the development and construction of the infrastructure before returning for abatement and demolition costs. Possibilities include the State's Infrastructure Infill Grant and Affordable Housing and Sustainable Communities programs, and federal or state economic stimulus funding, as well as Choice Neighborhood Initiative Grants.

7.2. Horizontal Uses Predevelopment Evaluation

The Sponsor has budgeted for Phase 3 based on its experience with Phase 1A/2, which is currently under construction and adjusted for the Phase 3 acreage, scope and complexity.

Hard Costs Pre-Construction (PreCon): This \$50,000 budget is an estimate for preconstruction services from an infrastructure general contractor. This is separate budget item from the Infrastructure Construction Manager (ICM). The PreCon budget will allow the Sponsor to engage an experienced infrastructure general contractor to provide preconstruction services such as due diligence to inform the engineering, cost estimating, scheduling and other pre-construction planning. If the general contractor is approved as the infrastructure contractor, then this precon fee will be incorporated as its contracted fee or general conditions.

Civil Engineering - \$423,829: This represents 50% of the total estimated civil engineering fee for Phase 3, which is based off the Phase 1A1/2 actual expenses. The civil engineer is in charge of the design of grading, wet utilities, streets and sidewalks, and coordinating the infrastructure engineering and design team and its permit sets. This total cost is 55% more per square foot than Phase 1A1/2 costs. The Sponsor will request scope of work estimate from the Civil engineer before starting the work to attempt to bring in costs.

Landscape Architect (\$382K): This fee is estimated based on the actuals for Phase 1A1/2 streetscape design and an estimate to design the Blocks 2 and 4 open space blocks. This cost is slightly higher per square feet than Phase 1A1/2 but considering the two open space and the extensive outreach required for that planning is reasonable.

Stormwater Mitigation Designer, Joint Trench, and Surveying/Mapping: These line items are estimated based on Phase 1A1/2 actuals and increases for the Phase 3 scope and acreage. These costs are on par with Phase 1A1/2 per square foot.

Geotechnical Engineer: The actual cost for Phase 1A1/2 is almost \$500,000 and includes not only preconstruction design and soils testing, but ongoing construction testing required by the City. This budget has been adjusted for the Phase 3 scope and acreage. The costs represented are 36% higher per square foot than previous phases.

Environmental Consultant (Ph I/II), Environmental Monitoring: The Consultant will conduct soils testing and conduct hazmat testing of the existing buildings and develop a biddable scope of work

and specifications for abatement. The Consultant will also write a site mitigation plan and asbestos dust monitoring plan required by DPH. The Environmental Monitoring is a separate contract to monitor the hazmat abatement and soils/dust testing if needed to confirm that the construction zone and surrounding residential areas are safe during the construction period. The Sponsor has included 10% of the Monitoring budget is included in predevelopment to allow for that firm to prepare for the abatement/demo stage. The total Environmental consulting costs are more than 679% higher per square foot than Phase 1A1/2 costs. The Sponsor will provide updated reports and reduce costs accordingly before the end of the year.

Infrastructure Construction Manager: The ICM will perform the following roles during predevelopment:

1. manage the design and engineering team and City agencies via the DPW Infrastructure Task Force for due diligence, plan sets, permitting
2. prepare and manage to an overall schedule that includes all occupant relocation, demolition, phasing and sequencing and vertical development milestones
3. coordinate between horizontal and vertical to minimize conflicts and redesign
4. manage all MMRP mitigation activities and secure all permits required before construction can start
5. work with the Sponsor/Developer on the PIA, easements, Final Map and other agreements, and
6. with the Sponsor/Developer procure any new team members or consultants and negotiate scopes and contracts.

The ICM must be experienced in the above, particularly with San Francisco infrastructure departments, as there are numerous City requirements and processes related to infrastructure construction management. The \$600,000 is the predevelopment period estimate for this scope and overall this line item is budgeted at \$1,000,000 to include abatement and construction period management, as well as management of the notice of completion and acceptance processes. An RFP will be issued for this role. This is a significant increase overall, representing 21% increase for total costs from Phase 1A1/2. It is anticipated that the future ICM will take on more responsibilities that in previous phases, as noted above.

Business relocation consultant (\$30,000): A third party relocation consultant will be retained to advise on the relocation planning for the non-residential occupants of Phase 3.

Legal: The \$255,000 is an estimate of the legal services to produce and/or review the Public Improvement Agreement, easements, license agreements, public works orders, reconveyance of HUD declaration of trust, construction contracts, loan agreements and other legal agreements required for infrastructure. Due to much of the legal documents already negotiated from other phases, this cost is lower than other phases.

Permit fees: Various permits will be required for the abatement/demo and the infrastructure construction including street space/traffic control, tree, and building demolition and represent a decrease from other phases.

Insurance: The \$200,000 is an estimate of the Sponsor/Developer's insurance premium that will be required prior to the start of abatement/demo and will include the coverage required for the infrastructure construction.

Market study and Community Engagement for Open Space Design: This \$59,000 budget is for an update to the Block 5 and 8 market rate site analysis and/or marketing materials. The line item will also cover the engagement of the community in the Blocks 2 and 4 open space programming and design, including the cost of translation/interpretation and engagement events.

7.3. Gap Horizontal Uses Evaluation

The total development budget is being presented to demonstrate the project’s overall finances at this time. The Sponsor will return before demolition and abatement and then again at gap with more concrete numbers.

INFRASTRUCTURE DEVELOPMENT BUDGET		
Underwriting Standard	Meets Standard?	Notes
Bid Contingency is at least 5% of total hard costs	Y	Bid and hard cost contingencies are 20% (5% bid contingency +5% design contingency + 10% hard cost contingency for infrastructure)
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	Y	Escalation is 5% per annum
Construction Management Fees are within standards	Y	See Section below
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

Many of the budget items are explained in the predevelopment budget section above; most line items are based on the actual current costs for Phase 1A1/2, in which construction is 95% complete, and adjusted for the larger square footage of the Phase 3 site area and the complexity of the scope. These line items include Civil Engineer, Joint Trench Designer, Geotechnical Engineering, Infrastructure Construction Manager, Legal and Insurance. Other line items are described below.

Hard Costs: The Phase 3 estimated hard cost total is \$90 per site sq ft, which is approximately 9% higher than the \$83 per site sq ft of Phase 1A1/2 hard costs total, and includes a \$800,000 hard cost contingency that may not be utilized. The Phase 3 site is 29% larger than the Phase 1A1/2 area and includes the development of two open space blocks.

Resident Relocation: The \$207,469 is the estimated relocation moving benefit for households to move into Blocks 7 and 9 when those developments are completed and will be updated based on the final unit counts at each affordable building. SFHA administers the relocation benefits but is reimbursed with this infrastructure budget.

Resident Relocation Readiness Support: This \$584,712 budget item is the cost for Mercy Housing’s on site staff to provide relocation readiness support to Sunnydale households. This includes household assessments, removing barriers for relocation and coordinating with SFHA and the real estate team on the relocation of these households. The budget is for the May 2022 – December 2024 period to support relocation readiness for these moves:

1. relocation out of Phase 3 units
2. relocation into completed units at Balboa Park Upper Yard opening in June 2023
3. relocation into Block 3B opening in Spring 2024
4. relocation into Block 3A opening Fall 2024.

Prior to May 2022, the relocation readiness work by Mercy Housing funded in the Phase 1A1/A-2 and 1A-3 infrastructure budgets included assistance to move households to 691 China Basin, Block 6 and out of Phase 1A3 footprint.

Safety Coordination: This budget of \$359,264 is also for the May 2022 – December 2024 period (which is the expected timeframe for major construction activity for Phase 3) with the cost prior to May 2022 included in the previous phases' infrastructure budgets. The Safety Coordination is provided by Mercy Housing staff and consists of promoting neighborhood safety through workforce development, with a focus on construction jobs on site, crisis response, coordinating with law enforcement and security services, and safety and communication management when the construction impacts the community, such as on site testing, utility shut offs and street closures. The staff costs in the budget include a Safety Coordinator at .50 FTE and the Transformation Project Director at .20 FTE.

Maintenance Prior to Dedication to City: The \$175,000 budget will be utilized at the completion of infrastructure construction to maintain the infrastructure prior to the City accepting its ownership and maintenance. Some infrastructure may not be accepted by the City, such as retaining walls or signage, and this budget will be utilized for those items until the Community Association assumes those maintenance costs.

7.4. Construction Specialist Evaluation

The projected hard and soft costs at this point are very preliminary given the nascent state of the design. When comparing the per square foot overall construction cost of this phase with the actual costs incurred to date on the currently-in-construction Phase 1A1/2, the Sponsor is showing a 9% increase in hard costs and 14% increase in soft costs. Comparing phases on an overall square foot basis can be a bit deceptive, as there might be substantial differences in the work (i.e. the amount of grading needed, the lineal feet of joint trench, the number of streetlights, etc.) that are not adequately accounted for. That being said, a 9% increase in hard costs between the phases seems about right, or possibly on the low end, as this would roughly cover the amount of escalation that would be expected due to the amount of elapsed time between the bidding period of each phase. The 14% increase on soft costs would seem a bit on the high side, but this could possibly be due to the level of complexity in the design given the unique challenges this next phase poses, or do to lessons learned regarding the significant amount of major design revisions required by city agencies late in the permitting and well into the construction phases.

8. 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 per phase. The Sponsor is requesting \$1,209,090 for Phase 3, which includes the following:

- Phase 1B: \$454,545
- Phase 1C: \$454,545
- Phase 3C: \$300,000

Phase 3C work is split between two larger infrastructure phases. The Sponsor will build a temporary road as part of this current phase and then the Sponsor will come back to create pad-ready parcels for its permanent condition. The design and construction of the temporary road is substantial and therefore the Sponsor is requesting approximately two-thirds of the Phase 3C developer fee as part of this current infrastructure phase.

HOPE SF Developer Fee Disbursement For Infrastructure		
Payment Milestone	% of Project Mgmt. Fee	Amount
60% Construction Documents	15%	\$181,364
Construction Commencement	25%	\$302,273
50% Completion of Phase	20%	\$241,818
DPW Determination of Completion	30%	\$362,727
BOS Acceptance	10%	\$120,909
Total Developer Fee	100%	\$1,209,090

9. STAFF RECOMMENDATIONS

9.1. Proposed loan/grant terms

Financial Description of Proposed Loan	
Loan Amount:	\$4,000,000
Loan Term:	57 yrs.
Loan Maturity Date:	2078
Loan Repayment Type:	Assigned or Deferred, In-kind transfer of work product to City
Loan Interest Rate:	0%

9.2. Recommended conditions prior to financing gap

- Sponsor must complete relocation plan related to demolition of existing buildings and secure SFHA Commission and HUD approval.
- Sponsor must submit Phase schedule, including sequencing of relocation, demolition, infrastructure construction and construction start to MOHCD for approval.
- Sponsor must submit Phase Application prior to submission for Planning Department approval.
- 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.
- Sponsor must submit General Contractor RFQ to MOHCD for approval and include MOHCD on selection panel. Sponsor must provide General Contractor’s contract to MOHCD for approval.
- Sponsor to work on containing soft and hard costs and strategies for cost effective design and construction with assistance from the Infrastructure Construction Manager and MOHCD’s Construction Representative
- Sponsor will provide a draft marketing and analysis plan to MOHCD within 6 months of predevelopment loan closing for the marketing of the Market Rate parcels within this Phase 3.

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

Date: _____

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

APPROVE DISAPPROVE TAKE NO ACTION

Date: _____

Salvador Mejia, Deputy Director for Programs
Department of 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 Housing

APPROVE DISAPPROVE TAKE NO ACTION

Date: _____

Tonia Lediju, Chief Executive Officer
San Francisco Housing Authority

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, May 7, 2021 11:54 AM
To: Chavez, Rosanna (MYR)
Subject: Sunnydale Phase Three

I approve

Eric D. Shaw
Director/ Interim Director HopeSF

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

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Friday, May 14, 2021 12:41 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: REQUEST FOR PREDEVELOPMENT FINANCING FOR SUNNYDALE HOPE SF

I approve Mercy Housing request for \$4,000,000 in predevelopment funding for Sunnydale HOPE SF Infrastructure Phase 3 (1B, 1C & 3C)



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

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Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, May 7, 2021 11:54 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Amaral, Sara (MYR)
Subject: Sunnydale Ph 3 Infrastructure - 5.7.21 Loan Committee

I approve the funding for Sunnydale Phase 3 Infrastructure, 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

Chavez, Rosanna (MYR)

From: Pereira Tully, Marisa (CON)
Sent: Friday, May 7, 2021 11:52 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Sunnydale Phase 3

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 11:52 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Sunnydale Phase III

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 Project Summary
- B. Applicable HOPE SF Developer Fee Policy
- C. Borrower Organization Chart
- D. Project Milestones and Schedule
- E. Infrastructure Budget
- F. Infrastructure Operating Budget

Attachment A: HOPE SF Project Summary

HOPE SF Initiative:

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

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

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

Project Summary:

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

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

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

- Up to 1,770 housing units consisting of a mix of one-for-one replacement public housing pending availability of project based rental subsidies, and tax credit affordable units for a total of 994 total affordable units, and approximately 600 market rate units;
- A 30,000 square foot Community Center with recreational facility and family and youth development programs for the entire neighborhood and 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	Block Q	1A-0	Affordable	55	Gap	\$8,905,799	\$46,139,312
2019	2021		1A-1/2	Infrastructure		Gap	\$28,478,891	\$28,478,891
2019	2021	Block 6	1A-1/2	Affordable	167	Gap	\$23,910,414	\$144,717,205
2022	2023	Block 5	1A-1/2	Market Rate	8	Gap		
2021	2022		1A-3	Infrastructure		Predev	\$22,271,663	\$22,271,663
2022	2024	Block 3A	1A-3	Affordable	80	Predev	\$6,828,000	\$73,760,039
2022	2024	Block 3B	1A-3	Affordable	90	Predev	\$8,072,868	\$84,916,931
2022	2023		1B, 1C, 3C	Infrastructure		Projected	\$39,821,767	\$39,821,767
2023	2025	Block 7	1B	Affordable	69	Projected	\$12,743,082	\$73,455,388
2023	2025	Block 9	1C	Affordable	100	Projected	\$8,920,116	\$91,445,034
2024	2026	Block 8A	1C	Market Rate	26			
2024	2026	Block 8B	1C	Market Rate	22			
2026	2027		2A	Infrastructure		Projected	\$55,581,504	\$55,581,504
2027	2029	Block 10	2A	Affordable	79	Projected	\$11,931,633	\$81,667,215
2027	2028	Block 14	2A	Market Rate	24			
2027	2028	Block 16	2A	Market Rate	12			
2027	2020	Block 15	2A	Affordable	54	Projected	\$8,007,041	\$60,765,836
2027	2028	Block 22B	2A	Market Rate	9			
2027	2029		2B	Infrastructure		Projected	\$34,004,409	\$34,004,409
2027	2029	Block 11	2B	Affordable	79	Projected	\$5,476,997	\$88,898,168
2028	2029	Block 17	2B	Market Rate	74			
2028	2029	Block 18	2B	Market Rate	12			
2029	2030		2C	Infrastructure		Projected	\$47,913,754	\$47,913,754
2029	2031	Block 19	2C	Affordable	66	Projected	\$4,650,874	\$78,486,667
2029	2030	Block 12	2C	Market Rate	24			
2029	2030	Block 13	2C	Market Rate	20			
2029	2030	Block 20	2C	Market Rate	12			
2029	2030		3A	Infrastructure		Projected	\$21,503,462	\$21,503,462
2029	2030	Block 24	3A	Affordable	72	Projected	\$12,620,894	\$85,621,818
2029	2030		3B	Infrastructure		Projected	\$34,708,608	\$34,708,608
2029	2030	Block 34	3B	Affordable	40	Projected	\$6,288,258	\$43,727,285
2030	2031	Block 23	2C	Market Rate	14			
2030	2031	Block 22A	3A	Market Rate	48			
2030	2031	Block 32	3A	Market Rate	22			
2030	2031	Block 33	3A	Market Rate	16			
2029	2030	Block 35	3B	Affordable	37	Projected	\$5,810,127	\$40,447,845
2030	2031	Block 21	3C	Market Rate	19			
2030	2031	Block 26	3B	Market Rate	12			

2030	2031	Block 27	3B	Market Rate	58		
2030	2031	Block 28	3B	Market Rate	12		
2030	2031	Block 29	3B	Market Rate	63		
2030	2031	Block 31	3B	Market Rate	50		
2030	2031	Block 36	3B	Market Rate	26		
		TOTAL			1491	\$408,450,161	\$1,169,653,211

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
Total	\$8,723,438	

Vertical and Horizontal Funding to Date:

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

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
		522	140	662

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.

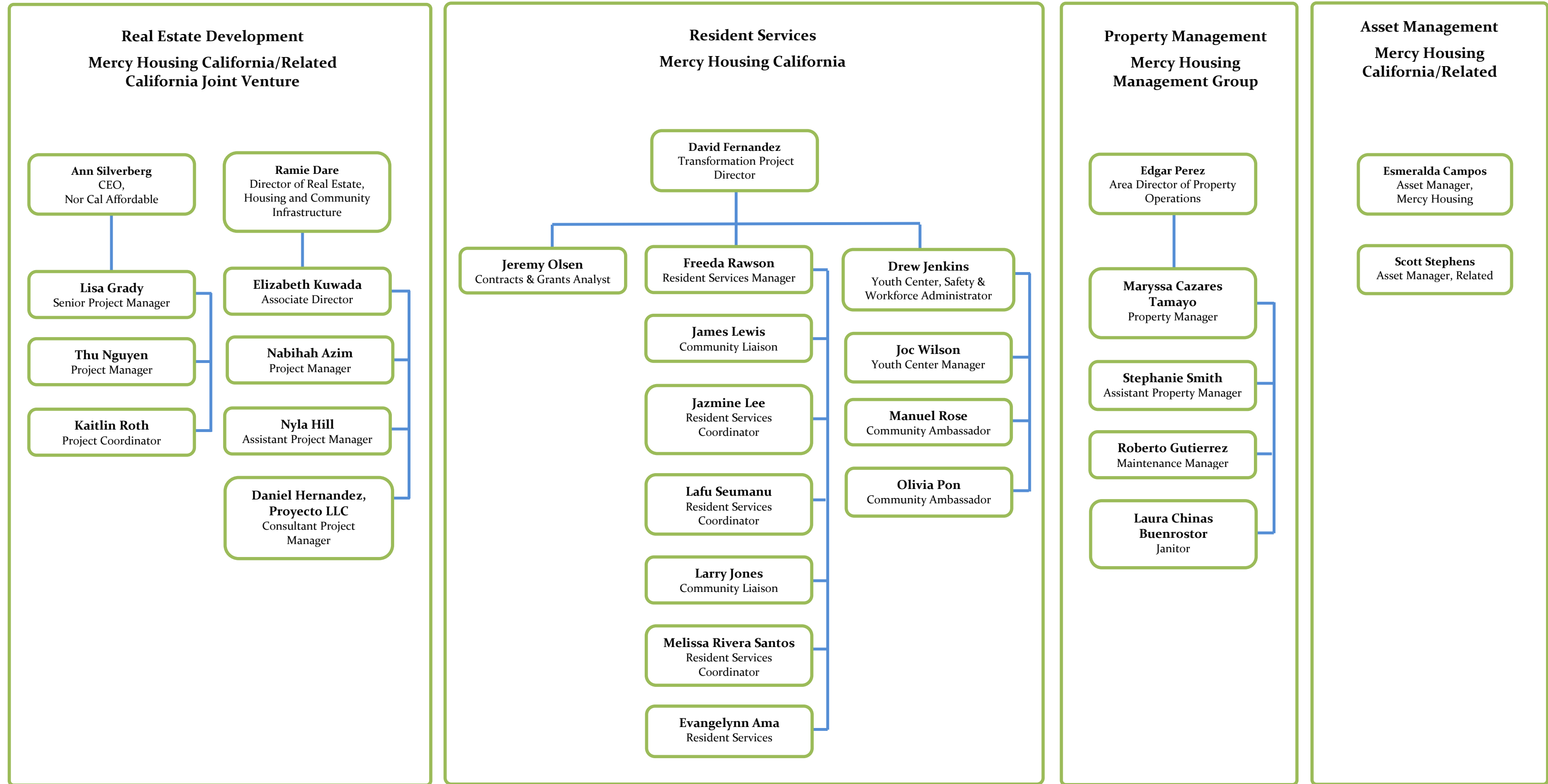
Attachment B: Applicable HOPE SF Developer Fee Policy

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: Sponsor Organization Chart

Sunnydale HOPE SF
 Developer Organizational Structure, January 2021



Attachment D: Project Milestones and Schedule

Phase 3 (aka 1B 1C 3C) Horizontal		
Task	Initiate	Complete
Phase Application Submittal approval by Planning Dept	October 2021	December 2021
Relocation of 101 households out of Phase 3 buildings	September 2021	June 2022
Execute SFHA abatement/demo license agreement and close MOHCD abatement/demo loan	May 2022	June 2022
Abatement and demolition of existing buildings	July 2022	January 2023
Street Improvement Permit Plans	October 2021	December 2022 pull permit
HCD Infrastructure Infill Grant and AHSC applications and awards	Spring 2022	Fall 2022*
Final Map for this phase	June 2022	December 2022
Street Improvement Plans and Specs, Final Map and Public Improvement Agreement approved by BOS and signed/recorded	December 2022	January 2023
Execute SFHA Infrastructure Ground Lease and close infrastructure gap funding	December 2022	January 2023
Infrastructure construction period	January 2023	January 2024
Block 7 and 9 vertical construction with some infrastructure construction overlapping	June 2023	February 2025
Estimated period for infrastructure departments' approval procedures of infrastructure for formal acceptance by City	April 2024 Notice of Completion	July 2024 Acceptance

* Sponsor will continue to apply in subsequent years if not awarded in 2022.

Attachment E: Infrastructure Budget

	Phase 1A3		1B 1C 3C Total		Predevelopment		Abatement/Demo		Construction		Block 7	Block 9	Block 8A	Block 8B	Block 2	Block 4	ROW	Notes	Calculation				
																					Acre	SQFT	Percent
Acquisition											13%	15%	15%	12%	10%	21%	15%						
License Agreements and Ground Leases			0	0%	2	100%	0	0%	1	1													
Total Acquisition Costs	2	2	0	0%	2	100%	0	0%	1	1													
Hard Costs																							
General Requirements & Conditions/Pre Con Services	1,007,256	1,856,105	50,000	3%	371,221	20%	1,434,884	77%	241,294	278,416					185,610	389,782	781,003						
Building Demolition	1,507,462	2,777,851	0	0%	2,777,851	100%	0	0%	361,121	416,678	416,678	333,342	277,785	583,349	388,898								
Hazardous Materials Abatement	556,700	1,025,850	0	0%	1,025,850	100%	0	0%	133,360	153,877	153,877	123,102	102,585	215,428	143,621								
Screen Fencing / Community Design	50,000	92,137	0	0%	46,068	50%	46,068	50%	11,978	13,821	13,821	11,056	9,214	19,349	12,898								
Grading & Paving	3,167,884	5,837,567	0	0%	0	0%	5,837,567	100%	758,884	875,635			583,757	1,225,889	2,393,402								
Storm, Sewer, Water, Power, Joint Trench	3,281,930	6,047,724	0	0%	0	0%	6,047,724	100%	786,204	907,159			604,772	1,270,022	2,479,567								
Kubota Ductile Iron Pipes and Fitting	275,000	506,752	0	0%	506,752	100%	0	0%	65,878	76,013			50,675	106,418	207,768								
Planting & Irrigation	787,274	1,450,737	0	0%	0	0%	1,450,737	100%	188,596	217,610			145,074	304,655	594,802								
Site Concrete	387,386	713,849	0	0%	0	0%	713,849	100%	92,800	107,077			71,385	149,908	292,679								
City of SF Business Tax	34,606	63,770	0	0%	12,754	20%	51,016	80%	8,290	9,565			6,377	13,392	26,146								
GC Prop. Liability & Damage Insurance	127,006	234,038	0	0%	46,808	20%	187,231	80%	30,425	35,106			23,404	49,148	95,955								
GC Overhead & Profit	408,916	753,523	0	0%	150,705	20%	602,819	80%	97,958	113,029			75,352	158,240	308,944								
GC Payment & Performance Bond	82,415	151,869	0	0%	30,374	20%	121,495	80%	19,743	22,780			15,187	31,892	62,267								
GC Construction Contingency	2%	201,918	430,235	0	0%	86,047	20%	344,188	80%	55,931	64,535			43,024	90,349	176,396							
GC Estimating/Design Contingency	10%	504,795	2,151,177	0	0%	430,235	20%	1,720,942	80%	279,653	322,677			215,118	451,747	881,982							
Subtotal Hard Costs	12,380,548	24,093,185	50,000	0%	5,484,665	23%	18,558,519	77%	3,132,114	3,613,978	584,376	467,500	2,409,318	5,059,569	8,826,330								
Bid and Hard Cost Contingencies	20%	2,476,110	4,818,637	0	0%	1,096,933	23%	3,721,704	77%	626,423	722,796	116,875	93,500	481,864	1,011,914	1,765,265							
Escalation (Per Annum)	5.0%	1,522,807	2,469,551	0	0%	1,181,980	48%	1,287,572	52%	321,042	370,433	125,937	100,749	246,955	518,606	785,830							
Total Hard Costs	16,379,465	31,381,373	50,000	0%	7,763,578	25%	23,567,795	75%	4,079,578	4,707,206	827,188	661,749	3,138,137	6,590,088	11,377,427								
Per New Unit		185,889																					
Per SQFT		90																					
Soft Costs																							
Civil Engineer	277,500	847,658	423,829	50%	169,532	20%	254,297	30%	110,195	127,149			84,766	178,008	347,540								
Stormwater Mitigation Designer	131,740	242,762	206,348	85%	9,710	4%	26,704	11%	31,559	36,414			24,276	50,980	99,533								
Utility Design (Joint Trench)	135,000	377,760	321,096	85%	15,110	4%	41,554	11%	48,109	56,664			37,776	79,330	154,881								
Landscape Architect	182,500	450,000	382,500	85%	18,000	4%	49,500	11%	58,500	67,500			45,000	94,500	184,500								
Surveyor/Mapping/Due Diligence	42,300	120,000	120,000	100%	0	0%	0	0%	16,600	18,000			12,000	25,200	49,200								
Geotechnical Engineer	82,250	902,940	451,470	50%	90,294	10%	361,176	40%	117,382	135,441			90,294	189,617	370,206								
Environmental Consultant (Phase III)	25,000	111,000	111,000	100%	0	0%	0	0%	14,430	16,650			11,100	23,310	45,510								
Environmental Monitoring	157,820	291,005	14,550	5%	247,354	85%	29,100	10%	37,831	43,651			29,100	61,111	119,312								
HazMat Testing and Reports	67,849	125,028	0	0%	125,028	100%	0	0%	15,254	18,754			12,503	25,256	51,261								
Infrastructure Construction Manager	355,000	1,000,000	600,000	60%	100,000	10%	300,000	30%	130,000	150,000			100,000	210,000	410,000								
Resident Relocation Expenses (see separate tab)	456,380	207,469	0	0%	0	0%	207,469	100%	26,971	31,120			20,747	43,568	85,063								
Resident Relocation Readiness Support (see separate tab)	0	584,712	0	0%	23,388	4%	561,324	96%	76,013	87,707			58,471	122,790	239,731								
Business Relocation Consultant	0	30,000	30,000	100%	0	0%	0	0%	3,900	4,500			3,000	6,300	12,300								
Safety Coordinator (see separate tab)	0	359,264	0	0%	14,371	4%	344,893	96%	46,704	53,890			35,826	75,445	147,299								
Legal for Developer	188,000	300,000	255,000	85%	12,000	4%	33,000	11%	38,000	45,000			30,000	63,000	123,000								
Permit Fees & City Plan Check Fees	2,539,880	500,000	250,000	50%	20,000	4%	230,000	46%	65,000	75,000			50,000	105,000	205,000								
Insurance	188,000	346,434	200,000	58%	0	0%	146,434	42%	45,036	51,965			34,643	72,751	142,039								
Maintenance Prior to Dedication to City	94,000	175,000	0	0%	7,000	4%	168,000	96%	22,750	26,250			17,500	36,750	71,750								
Market study, Comm Eng in OS design, misc.	20,000	70,000	59,500	85%	2,800	4%	7,700	11%	9,100	10,500			7,000	14,700	28,700								
Subtotal Soft Costs	4,943,319	7,041,031	3,425,293	49%	281,641	4%	3,334,097	47%	915,334	1,056,155			704,103	1,478,616	2,886,823								
Soft Cost Contingency	10%	494,332	704,103	49%	28,164	4%	332,595	47%	91,533	105,615			70,410	147,862	288,683								
Total Soft Costs	5,437,651	7,745,134	3,768,637	49%	309,805	4%	3,666,692	47%	1,006,867	1,161,770			774,513	1,626,478	3,175,506								
Per New Unit		45,829																					
Per SQFT		22																					
Developer Fee	454,545	1,209,090	181,364	15%	302,273	25%	725,454	60%	157,182	181,364			120,909	253,909	495,726								
PER NEW UNIT		7,154																					
PER SQFT		3																					
TOTAL USES	22,271,663	40,335,599	4,000,000	10%	8,375,658	0	27,959,941	69%	5,243,628	6,050,340	827,188	661,749	4,033,560	8,470,476	15,048,658								
PER NEW UNIT	169	238,672																					
PER SQFT	347,233	116	12																				

Approx. \$16K/unit

Approx. \$6K/unit

Long Lead Item

Incl. Blocks 2, 4 open space

	Acre	SQFT	Percent
Phase 1B	4.60	200,376	58%
Phase 1C	2.45	106,830	31%
Phase 3C	0.92	40,026	
Infra Total	7.97	347,233	88%
Phase 1A3	5.19	226,120	
Area Difference		1,536	

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.

This operating budget will be included in the gap loan budget request.