Citywide Affordable Housing Loan Committee

San Francisco Mayor's Office of Housing and Community Development

Department of Homelessness and Supportive Housing

Office of Community Investment and Infrastructure

Controller's Office of Public Finance

MEMORANDUM

DATE: FEBRUARY 18, 2022

TO: CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE

FROM: ANNE ROMERO, SENIOR PROJECT MANAGER

RE: THE KELSEY CIVIC CENTER – 240 VAN NESS AVE. – REQUEST FOR APPROVAL OF REVISED PROJECT FINANCING STRUCTURE FOR CALIFORNIA DEBT LIMIT ALLOCATION (CDLAC) APPLICATION FINANCING PURPOSES

THIS REQUEST:

- $13,000,000 in MOHCD PRELIMINARY GAP – SAME AS APPROVED REQUEST IN JANUARY 2021
- $850,000 OF GAP LOAN BE FORGIVABLE PENDING DEMOLITION COMPLETION
- APPROVAL OF MIP APPLICATION AND IF AWARDED, BOND ISSUANCE THROUGH CALHFA
- ACCEPTANCE OF AWARDED SECTION 811 CONTRACT

EXISTING PREDEVELOPMENT LOAN:	$2,000,000
TOTAL CDLAC COMMITMENT LETTER REQUEST:	$13,000,000

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	The Kelsey Civic Center	Sponsor(s):	Mercy Housing CA & The Kelsey
Project Address (w/ cross St):	240 Van Ness (at Dr. Tom Waddell Pl.)	Ultimate Borrower Entity:	The Kelsey Civic Center, LP

Project Summary:

On January 21, 2021, the Citywide Affordable Housing Loan Committee approved a request from the Sponsor, made up of nonprofits Mercy Housing CA ("MHC") and The Kelsey, for a $2 million predevelopment loan and preliminary gap commitment of $13,000,000 for a proposed new construction affordable rental housing development located at 240 Van Ness Ave. ("the Site" or "The Kelsey Civic Center"), three city-owned lots on Van Ness Ave., bordered by Grove Street and Dr. Tom Waddell Place. The Site was awarded to the development team through the C40 Reinventing Cities Competition, run through the Department of Real Estate.

While the preliminary gap request for City financing has not increased since the last request to Loan Committee, this request presents updates to the proposed financing structure prior to submittal of their CDLAC application in March 2022, including an alternate CalHFA bond issuance if the project receives a CalHFA Mixed-Income Financing (MIP) award. Furthermore the development team now requests $850,000 of the gap commitment be structured as a forgivable loan to cover costs for demolition and to prepare the final parcel configuration, as the land will be owned by the City.

The proposed concept for The Kelsey Civic Center is an 8-story building with 112 units built on the 13,815 square foot ("sf") infill lot. The proposed mix of units includes 80 studios and 32 2-br units, including two on-site staff units. These will include 28 units reserved for people with disabilities who use home and community-based services with incomes ranging between 20%-30% of Area Median Income ("MOHCD AMI"). The balance of the 81 units will be for households with incomes ranging between 40% and 95% MOHCD AMI. The commercial space planning has advanced substantially with the inclusion of a ground floor Disability Community Cultural Center (DCCC) on Grove Street, as further detailed in Section 1.G, below.

Proposed permanent financing includes tax-exempt bonds, 4% Low-Income Housing Tax Credits, deferred developer fee, a sponsor loan from The Kelsey, a MOHCD gap loan and the State of California Affordable Housing and Sustainable Communities Program (AHSC). Construction start is expected in Fall 2022, with construction completion in May 2024. The sponsor will return with a final gap request prior to construction loan closing pending a CDLAC bond allocation.

Project Description:

Construction Type:	Type I	Project Type:	New Construction
Number of Stories:	8	Lot Size (acres and sf):	.32 acres / 13,815 sf
Number of Units:	112	Architect:	WRNS/Santos Prescott and Associates
Total Residential Area:	85,763	General Contractor:	Cahill Contractors LLC
Total Commercial Area:	1,349	Property Manager:	Mercy Housing Management Group
Total Building Area:	87,430 sf	Supervisor and District:	Haney, District 6
Land Owner:	City of San Francisco		

Total Development Cost (TDC):	$82,354,320	Total Acquisition Cost:	$0
TDC/unit:	$735,306	TDC less land cost/unit:	$735,306
Loan Amount Requested:	$13,000,000	Request Amount / unit:	$17,857 predev/$116,071 gap
HOME Funds?	No	Parking?	No

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD/OCII Loan	$2,000,000	3 years at 3% deferred	Committed
The Kelsey Dignity Health Loan	$1,000,000	3.5% paid quarterly	Committed
The Kelsey Sponsor Loan	$1,394,000	0% revolving	Committed
Mercy Housing LOC	$140,298	around 2.5%, floating	Committed
Total	**$4,534,298**		

Permanent Sources	Amount	Terms	Status
MOHCD/OCII	$12,150,000	55 years @3% residual receipts	This Request
MOHCD for land demo costs (not part of housing budget sources)	$850,000	forgivable pending demo completion	This Request
Perm Loan	$5,816,000	30 yrs @ / 5.740%	Not Committed
HCD - AHSC	$20,000,000	55 years @ .42% / Res Rec	Committed
CalHFA - MIP	$2,500,000	55 years @ 3% / Res Rec	Not Committed
MOHCD Accrued Deferred Interest	$554,914		
Deferred Fee	$1,135,059		Not Committed
The Kelsey Sponsor Loan	$1,686,575	55 years@ 3%	
Investor Tax Credit Equity	$37,219,621	TC Equity: $0.94 federal and $0.70 state	Not Committed
Total	**$81,912,169**		

Permanent Uses	Amount	Per Unit	Per SF
Demo (not part of housing budget after portion of loan is forgiven)	$850,000	$7,589	$9.70
Acquisition	$24,599	$220	$0.28
Hard Costs	$63,990,722	$571,346	$730.44
Soft Costs	$12,192,022	$108,857	$139.17
Reserves	$964,853	$8,615	$11.01
Developer Fee	$3,889,973	$34,732	$44.40
Total	**$81,912,169**	**$731,359**	**$935.01**

Tl sources minus demo funding	**$81,062,169**
Tl uses minus demo costs	**$81,062,169**

1. Update/Summary

The Kelsey Civic Center last appeared at Loan Committee on January 22, 2021. In the past year the project has made limited changes to its building program. One notable change was increasing the unit count from 109 to 112. These units did not add to overall square footage and were taken from upper floor common area. The project sponsors feel like this change does not compromise program and adds three homes to the community. In addition, the increased unit count assists with per unit cost and tax-exempt bond tiebreaker competitiveness.

In the past 13 months the team has made progress in the following areas identified as key development issues in the previous predevelopment and preliminary gap evaluation presented on January 22, 2021:

A. Land Exchange and Ground Lease

In early 2020, the development team, in discussion with the owner of the neighboring parcels, 234 Van Ness and 250 Van Ness, facilitated an agreement between RED and the owners to perform an equal property swap of 240 Van Ness (owned by the City) and 234 Van Ness (owned by the McBaine family, a private entity, the same ownership entity of 250 Van Ness). Upon completion of the land exchange, The Kelsey Civic Center can be developed in an "L" shape instead of a much more costly, inefficient and logistically challenging "T" shape. On May 12, 2021, the Board of Supervisors approved and entered into a binding agreement with the owners of 234 Van Ness to effectuate the land exchange for equal portions of 234 Van Ness and 240 Van Ness. This agreement reduces the risk associated with the exchange. The project sponsors continue to work cooperatively with the owners of 234 Van Ness. On January 7, 2022 the lot line adjustment and record of survey were approved by BSM on the condition that the current buildings are demolished. The sponsors are working with Cahill Contractors to demolish the buildings and anticipate beginning demolition in mid-February (pending requests from PG&E for utility meter removal). Demolition duration is scheduled for six weeks. The borrower is requesting that the estimated $850,000 in demolition costs ultimately be forgiven at construction loan closing as they are a cost associated with preparation of the parcel, which the City will own. Staff supports this request.

On June 3, 2021 MOHCD entered into an Option to Ground Lease with the Borrower to show site control for the AHSC application.

B. Section 811 Commitment

On May 17, 2021 the project was awarded a HUD 811 Project Rental Assistance Demonstration program contract in the amount of $780,038 for 14 assisted units (12 studios, 2 2br). The initial award covers the period of time between start of lease up until HUD's expenditure deadline for CalHFA's portion of the funds, September 30, 2026. Subsequently, the award would be negotiated annually through the end of the 20-year term of the Project Rental Assistance Contract (PRAC) as part of HUD's Section 8 Annual Renewals budgeting process.

The sponsors executed an MOU with the Golden Gate Regional Center to serve as the tenant referral organization for Section 811 units.

The Section 811 subsidy enables the sponsors to fully fund a second FTE Inclusion Concierge (as discussed further below) who will provide important housing access services to Section 811 residents and provide inclusive community building resources to all residents. Their presence will also double as a front desk clerk during the estimated hours of 8:00am to 8:00pm. From Mercy's experience, the front desk location is key to creating a welcoming and inclusive community. Mercy is working on a new hybrid front desk position which will take on some community-building work, and they are formalizing this role. Because this project proposes two Inclusion Concierges, there will be a team approach. While one Inclusion Concierge is at the desk, the other can run Inclusion Hours/Circles of Support and meet 1:1 with residents. This staffing request will be fully vetted at the final gap request.

C. State Funding Assumptions

On January 26, 2022 the project was approved by the Strategic Growth Council for a $20,000,000 AHSC award. This award recommendation and approval triggered the process to begin applying for CDLAC/TCAC Round I in March 2022. The sponsors are working to find the most competitive path to tax-exempt bonds in the current extremely competitive atmosphere. The project's current Round 1 tiebreaker is $267,000, and under the Round 2, the tiebreaker score is projected to be 11.2 under the new tie-breaker methodology (this is in the median of all Mercy Housing projects scored under an internal analysis). The project's current tiebreaker would not be competitive in the ELI/VLI or Bay Area pools based on 2021 award recommendations. Due to the tiebreaker methodology timing the project was unable to design to a more competitive tiebreaker, however project sponsors are working to minimize the bond request within reason.

Securing a CalHFA MIP award would benefit the project in two ways: 1) it would provide $2,500,000 in additional soft loan funds and perhaps more importantly; 2) it would provide the opportunity for the project to compete in an additional pool in the CDLAC competition for tax-exempt bonds. CalHFA has a specific "State-Funded Mixed Income" pool that accounts for 20% of the non-geographic set-asides. CalHFA essentially screens a smaller number of projects into the MIP pool, creating a specific queue of applications to put forward which provides a higher chance of receiving a bond allocation than competing in the open geographic or ELI/VLI pools. Based on an analysis of 2021 R3 awards, the MIP pool tiebreaker score was $232,709 whereas the general Bay Area pool tiebreaker score was $209,563. In 2021 R3 CalHFA advanced six projects to the MIP, five of which were funded.

Since June 2021 the project has structured the AMI mix to allow application to the CalHFA MIP pool. This requires 10% of the units (12 units) to be set at 70% TCAC AMI (95% MOHCD AMI). The project applied to AHSC with this mix to maintain this flexibility. While applying to CalHFA for the MIP pool does not guarantee a bond allocation, it creates a smaller pool that reduces competition. This strategy increases the chances a bond allocation will occur. The project sponsors are also monitoring the Tier 2 California Housing Accelerator Fund (CHAF) to

see if the AHSC award would qualify the project for Tier 2 funds. As of January 24, 2022 an expansion to CHAF funds is not included in the Governor's preliminary budget, however NPH and other advocacy organizations are working on inclusion in future budget versions to help clear the backlog of HCD-awarded projects.

D. Income Mix

The project sponsors understand MOHCD's concerns around marketing higher AMI units, and have experienced challenges at some projects when marketing units at 80% and 95% MOHCD tiers. Since appearing at Loan Committee the sponsors added one studio unit at 20% MOHCD AMI and reduced AMI levels at 10 studio units from 80% MOHCD AMI to 70% MOHCD AMI. The number of moderate income units will help the City of San Francisco to meet much needed RHNA targets for moderate income homes while creating a mixed income, inclusive community. The project sponsors are committed to working with MOHCD and other nonprofit developers to identify how moderate income units in the pipeline can be more effectively marketed, leased, and stabilized. Since the inception of the project, the Sponsors have focused the design to offer amenities attractive to moderate income households such as the community courtyard, rooftop garden, universal design, biophilic features, and Inclusion Concierge staff and related programming. Sponsors are proactively working on a marketing plan that targets moderate income households such as nonprofit and public sector employees, contingent workforces, and healthcare support staff.

In the market study conducted in February 2021, the highest marketable gross rent for studio units in the Civic Center area based on market conditions was $1,710 (73% MOHCD AMI). In January 2022 the updated market study showed rent levels have rebounded from the COVID lows of 2021, and 80% MOHCD AMIs were achievable ($1,865 gross rent). Based on recent lease-up experiences and further analysis of comparable properties in the neighborhood, the sponsor would like to continue to underwrite to $1,710 as the maximum rent amount on the 80% MOHCD and 95% MOHCD studio units. This strikes a compromise of allowing a broad range of household eligibility to live in the community, while minimizing the concerns of the real net rent amount of the 80% and 95% MOHCD AMI units being too expensive in the current market conditions. The project's graduated income thresholds also provide more flexibility to both property management and tenants to help match households to units that best match their income.

Income restrictions all sources

UNIT SIZE NON-LOTTERY	No. Units	MAXIMUM INCOME LEVEL MOHCD	TCAC and AHSC	
0 BR – 811 PRAC	12	20% MOHCD AMI	20% TCAC AMI	
2 BR – 811 PRAC	2	30% MOHCD AMI	30% TCAC AMI	
Sub-Total	**14**			

LOTTERY			
0 BR	12	20% MOHCD AMI	20% TCAC AMI
0 BR	2	30% MOHCD AMI	30% TCAC AMI
0 BR	11	60% MOHCD AMI	60% TCAC AMI
0 BR	10	70% MOHCD AMI	60% TCAC AMI
0 BR	20	80% MOHCD AMI	60% TCAC AMI
0 BR	12	95% MOHCD AMI	70% TCAC AMI
Sub-Total	**67**		
2 BR	2	30% MOHCD AMI	30% TCAC AMI
2 BR	**4**	50% MOHCD AMI	50% TCAC AMI
2 BR	9	60% MOHCD AMI	50% TCAC AMI
2 BR	14	70% MOHCD AMI	60% TCAC AMI
Sub-Total	**29**		
STAFF UNITS			
0 BR	1	N/A	N/A
2 BR	1	N/A	N/A
TOTAL	**112**		
PROJECT AVERAGE		**59%**	**48%**
AVERAGE FOR LOTTERY UNITS ONLY		**66%**	**52%**
SET ASIDE FOR HOUSEHOLDS WITH DISABILITIES USING HOME AND COMMUNITY BASED SERVICES	**28**	**25%**	

MOHCD Restrictions

Unit Size	No. of Units	Maximum Income Level
0 BR	24	20% of Median Income
0 BR	2	30% of Median Income
0 BR	11	60% of Median Income
0 BR	10	70% of Median Income
0 BR	20	80% of Median Income
0 BR	12	95% of Median Income
2 BR	4	30% of Median Income
2 BR	4	50% of Median Income
2 BR	9	60% of Median Income
2 BR	14	70% of Median Income
0 BR	1	Manager's Unit
2 BR	1	Manager's Unit

E. Unique Population Mix

The Kelsey Civic Center is committed to providing affordable, accessible, inclusive homes to San Franciscans of a broad range of incomes and abilities. 25% of the units (28 units) will be reserved for people with disabilities earning 20% to 30% MOHCD AMI that receive home and community-based services through In-Home Supportive Services (IHSS). 14 of these units will be available for people eligible for the HUD Section 811 program which is targeted for individuals that are exiting institutions or at-risk of institutionalization. The Kelsey Civic Center has been designed to meet accessible, service-linked, community-based housing needs for households with physical and developmental disabilities, a population that was identified in the MOHCD 2020-2024 Consolidated Plan as at the most vulnerable end of the housing spectrum.

As noted in the 2020-2024 Consolidated Plan, persons with disabilities may live alone and need support and opportunities for interaction to prevent isolation. The Kelsey Civic Center through its ethos of interdependence, ample community spaces, and dedicated Inclusion Concierge program, is designed to connect members of the community to be less isolated and live healthier lives. The remaining 75% of The Kelsey Civic Center residents reflects the general low and moderate income population of San Francisco. These residents will also benefit from the services provided to residents with disabilities whether receiving service coordination support or participating in programming that connects neighbors to each other and the community where they live.

F. The Kelsey Fundraising Progress

As a part of its mission, the development partner The Kelsey, a 501(c)3 nonprofit organization, provides predevelopment and gap permanent financing to disability-inclusive affordable housing projects. It has fully fundraised through unrestricted donations from private individuals and foundations nearly $1.7 million which will be a sponsor loan as indicated in the development sources. Once the gap amount is finalized (pending analysis of AHP competitiveness and outstanding $1,000,000 request to the Golden Gate Regional Center) it will commit the unrestricted funds towards The Kelsey sponsor loan.

G. Community Commercial Space

The sponsors have significantly developed the plans for the commercial space. The structure of the 1,430 sq ft commercial space will be a 55+ year master lease from the limited partnership to The Kelsey, which is a strategy to reduce the project's tiebreaker score for tax exempt bonds. The long-term master lease structure will enable the project to exclude the commercial development costs from basis. These costs will be covered by The Kelsey, who will serve as the master lessor.

The Kelsey has been working with the Department of Disability and Aging Services (DAS) to negotiate a Letter of Intent (LOI) to lease and build out the space to be used as a Disability Community Cultural Center ("DCCC"). This space will be sub-leased by DAS to a non-profit operator (to be selected through a future DAS RFP, anticipated summer 2022). The DCCC would promote a community-based partnership to create a community cultural center for people with disabilities to restore themselves, feel safe, or connect with each other. The purpose of the Center is to provide a dedicated, welcoming place for people with and without disabilities to gather, access information and resources, and enrich their cultural identities individually and collectively.

The negotiated Letter of Intent (LOI) between The Kelsey, as Master Lessee of the space, and Department of Disability and Aging Services (DAS), as sublessee, include 1) lease term of 15 years with three optional five year extensions, 2) base rent of $2,738 / month, 3) triple net lease with tenant' paying the prorated share of the building's insurance and common operating expenses, 4) good faith effort to define a Tenant Improvement scope of work that will not exceed $1,017,500 to build the space out beyond the warm shell.

2. Status of Meeting Loan Conditions prior to Gap Financing

Item	Notes	Date Complete
Sponsor will present request for additional predevelopment financing to MOHCD for final approval before securing additional predevelopment source(s).	*Project was not selected for Capital One grant.*	Anne Romero

	Applied for $1m predevelopment or capital loan with GGRC. No update as of 1/24/2022.	notified 10/4/21
Sponsor to seek a waiver from the Arts Commission regarding design review.	*Waiver approved by Arts Commission via email.*	10/27/21
Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed, outcomes achieved related to racial equity goals, and commercial-use programming (this may be included in the standard MOHCD monthly report form).	*Community outreach summary report provided to MOHCD May 13, 2021, additional reporting completed on standard MOHCD monthly report form.*	Ongoing as developments occur
Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.		This request
Sponsor to work with MOHCD staff to revise project cash flow so that it meets MOHCD's underwriting requirement of a Debt Service Coverage Ratio between 1.10:1 and 1.15: 1 at year 15.	*Resubmitted MOHCD proforma in October with this change although current proforma shows DSCR just below the range at 1.066, so this will continue to be refined prior to the final gap request.*	10/26/2021
Sponsor to provide MOHCD with a services plan and proposed staffing levels that meet MOHCD underwriting standards prior to gap loan approval. This must include review of the proposed .2FTE Housing Support Specialist position with Mercy property management. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to request for gap loan approval.	*Sponsor is no longer showing .2 HSS FTE, proposing an additional 1FTE RSC/Inclusion Concierge to meet goals of The Kelsey Civic Center inclusive community. This position serves as a hybrid services/front desk position, reducing staffing redundancies. This approach was incorporated post Section 811 award and will be fully evaluated at the gap request prior to construction loan closing with full review of the proposed operating budget.*	
Sponsor to work with MOHCD staff to revise unit mix so that the project will include a higher number of units serving households at or below 50% MOHCD AMI.	*Since January 2021 the project sponsors have added two studio units at 30% AMI, and created a graduated income tier of studios and 2br in the moderate income tiers, including shifting four 2br to 50% MOHCD AMI. The overall MOHCD affordability is now 59%.*	
Sponsor to provide market study on feasibility of leasing the 80% AMI units.	*2021 Market Study shows max rent at 73% MOHCD AMI. 2022 Market Study supports 80% MOHCD rents, however project sponsors would like to continue underwriting to the earlier market study based on additional analysis. The February 2022 Market Study has been provided to MOHCD*	
Sponsor will provide signed LOI from commercial tenants prior to MOHCD's gap loan closing.	*Sponsors working on LOI with DAS. Anticipated signed LOI February 2022.*	

Sponsor to work with MOHCD staff and project's General Contractor to Value Engineer construction budget with the goal of reducing construction costs to $600 PSF inclusive of contractor contingency, bid contingency and escalation to start of construction.	*Sent construction cost memo to MOHCD in April 2021. This price psf not possible with Type I building in current market conditions, which has been confirmed by the MOHCD Construction Representative. The Sponsor has worked throughout the predevelopment process on cost containment including detailed value engineering at every phase of design and estimating. Currently achieving $713 psf inclusive of contingency and escalation, which may be challenging if current material price increases in steel / metal framing and supply chain issue continue. Sponsors continue to work with the contractor to understand the environment that is elevating materials escalation to bring the final GMP in on budget.*	4/11/2021
Sponsor will provide MOHCD with information outlining development cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loan.	*Sponsor conducted detailed analysis of most cost efficient structural system and HVAC systems in 2021.*	4/11/2021
Sponsor will provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for gap loan.	*Sponsors are working with DAS, as described above, on LOI and operator RFP for a Disability Community Cultural Center. MOHCD has been participating in meetings with Sponsors and DAS. LOI between The Kelsey and DAS is expected to be executed in February 2022. Mercy and The Kelsey are working through commercial master lease.*	
Sponsor will provide for MOHCD review any Request for Proposals (RFP) for equity investors before it is finalized and released for investors.	*Will provide*	
Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.	*Will provide*	
Sponsor will provide for MOHCD review and approval all selected investors.	*Will provide*	
Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.	*Will provide*	
Sponsor will provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps MHC and The Kelsey will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood	*Will provide*	

Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.		

3. Staff Recommendations

Financial Description of Proposed Gap	
Loan Amount:	$12,150,000
Loan Term:	55 years
Loan Maturity Date:	2080
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	0-3%
Date Loan Committee approves prior expenses can be paid:	January 1, 2021 (original predev loan approval)

Financial Description of Forgiven Loan for Demo (Site Acquisition) Costs	
Forgiven Loan Amount:	$850,000
Condition:	Pending successful demo of existing building

4. Recommended conditions prior to financing gap

1. The Sponsor will continue to monitor market rents in the neighborhood and will present an updated analysis prior to final gap loan approval.

5. Loan Committee Modifications

LOAN COMMITTEE RECOMMENDATION

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

[ ] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

_____ Date: _____

Salvador Menjivar, Director of Housing
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 Finance

Attachments:

A. Project Milestones / Schedule
B. Predevelopment Sources and Uses Budget
C. Permanent Sources and Uses Budget
D. 1st Year Operating Budget
E. 20-year Operating Pro Forma
F. Previous Predev and Prelim Gap Request January 22, 2021

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, February 18, 2022 11:30 AM
To: Chavez, Rosanna (MYR)
Subject: Preliminary Gap Financing for Kelsey Civic Center

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: Wednesday, February 23, 2022 10:38 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: FINANCING FOR THE KELSEY CIVIC

I approve Mercy Housing request to develop the Kelsey -240 Van Ness Ave- for: a) $13,000,000 in MOHCD preliminary gap, same as approved in January 2021 b) $850,000 of gap loan to be forgivable pending demolition c) approval of MIP application and d) acceptance of awarded section 811 contract.

Best,

salvador

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

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Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, February 18, 2022 11:29 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Romero, Anne (MYR)
Subject: Preliminary Gap Financing for Kelsey Civic Center, 2.18.22 Loan Committee

I approve the preliminary gap financing request for the Kelsey Civic Center project, as presented at the 2.18.22 Loan Committee

office of COMMUNITY INVESTMENT and INFRASTRUCTURE
OCII

Sally Oerth
Interim Executive Director

One South Van Ness Avenue, 5th Floor
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Chavez, Rosanna (MYR)

From: Pereira Tully, Marisa (CON)
Sent: Friday, February 18, 2022 11:28 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Preliminary Gap Financing for Kelsey Civic Center

Approve

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

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	*Estimated* or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	2/15/2021	
1	Acquisition/Predev Financing Commitment	1/21/2021	
2.	Site Acquisition		
a.	Transfer Agreement Signed	2/15/2021	
b.	MOHCD Ground Lease Executed	*9/15/2022*	
3.	Development Team Selection		
a.	Architect	Complete	
b.	General Contractor	Complete	
c.	Owner's Representative	Complete	
d.	Property Manager	Complete	
e.	Service Provider	Complete	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	2/17/2021	
b.	Submittal of Design Development & Cost Estimate	9/14/2021	
c.	Submittal of 50% CD Set & Cost Estimate	2/3/2022	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	*3/30/2022*	
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission – SB 35 Submission	12/21/2020	

b.	NEPA Environ Review Submission	N/A	
c.	CUP/PUD/Variances Submission	N/A	
6.	Permits		
a.	Building / Site Permit Application Submitted	12/21/2020	
b.	Addendum #1 Submitted	*3/1/2022*	
c.	Addendum #2 Submitted	*4/15/2022*	
7.	Request for Bids Issued	*4/15/2022*	
8.	Service Plan Submission		
a.	Preliminary	1/31/2022	
b.	Interim	*5/15/2022*	
c.	Update	*10/1/2023*	
9.	Additional City Financing		
a.	Predevelopment Financing Application #2	2/18/2022	
b.	Gap Financing Application	2/18/2022	
10.	Other Financing		
a.	AHSC Application	6/8/2021	
b.	Construction Financing RFP	*5/31/2022*	
c.	AHP Application	*2/15/2023*	
d.	CDLAC Application	*3/16/2022*	
e.	TCAC Application	*3/16/2022*	

f.	HUD 202 or 811 Application	5/7/2021	
g.	Other Financing Application (IIG)	7/22/2021	
h.	MIP	2/11/2022	
11.	Closing		
a.	Construction Closing	*9/15/2022*	
b.	Permanent Financing Closing	*9/31/2024*	
12.	Construction		
a.	Notice to Proceed	*9/15/2022*	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	*4/15/2024*	
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	*8/15/2022*	
b.	Commence Marketing	*9/30/2023*	
c.	95% Occupancy	*8/15/2024*	
14.	Cost Certification/8609	*1/1/2026*	
15.	Close Out MOH/OCII Loan(s)	*3/30/2026*	

Attachment B: Predevelopment Sources and Uses Budget

Application Date:	1/26/22	**# Units:**	**112**
Project Name:	The Kelsey Civic Center	***# Bedrooms:***	**144**
Project Address:	240 Van Ness Ave	**# Beds:**	
Project Sponsor:	Mercy Housing California/The Kelsey		

							Total Sources	Comments
SOURCES	**2,000,000**	**1,000,000**	**1,394,000**	**140,298**	**-**	**-**	**4,534,298**	
Name of Sources:	MOHCD/OCII	The Kelsey Dignity Health	The Kelsey Sponsor Loan	Mercy Housing LOC				
USES								
ACQUISITION								
Acquisition cost or value							0	
Legal / Closing costs / Broker's Fee							0	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
CONSTRUCTION (HARD COSTS)								
Unit Construction/Rehab							0	Include FF&E
Commercial Shell Construction							0	
Demolition	850,000						850,000	
Environmental Remediation							0	
Onsight Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	*850,000*	*0*	*0*	*0*	*0*	*0*	*850,000*	
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**850,000**	**0**	**0**	**0**	**0**	**0**	**850,000**	
SOFT COSTS								
Architecture & Design								
Architect design fees	959,743		522,727				1,482,470	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		481,517					481,517	
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
Sub-total Architect Contract	*959,743*	*481,517*	*522,727*	*0*	*0*	*0*	*1,963,987*	
Other Third Party design consultants (not included under Architect contract)							0	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	**959,743**	**481,517**	**522,727**	**0**	**0**	**0**	**1,963,987**	
Engineering & Environmental Studies								
Survey		56,500					56,500	
Geotechnical studies		50,000					50,000	
Phase I & II Reports		42,500					42,500	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants		27,875					27,875	Name consultants & contract amounts
Total Engineering & Environmental Studies	**0**	**176,875**	**0**	**0**	**0**	**0**	**176,875**	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)							0	
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Permanent Financing Costs								
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Legal Costs								
Borrower Legal fees							0	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
Other Legal (specify)							0	
Total Legal Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Other Development Costs								
Appraisal	10,000						10,000	
Market Study	13,000						13,000	
* Insurance							0	
* Property Taxes							0	
Accounting / Audit							0	
* Organizational Costs							0	
Entitlement / Permit Fees		127,911	372,089				500,000	
* Marketing / Rent-up							0	
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees							0	
* Financial Consultant fees	40,000						40,000	
Construction Management fees / Owner's Rep		53,800					53,800	
Security during Construction							0	
* Relocation							0	
Other (specify)		29,200					29,200	
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	**63,000**	**210,911**	**372,089**	**0**	**0**	**0**	**646,000**	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	102,274	86,930	89,482	0	0	0	278,686	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**1,125,017**	**956,233**	**984,298**	**0**	**0**	**0**	**3,065,548**	
RESERVES								
* Operating Reserves							0	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
DEVELOPER COSTS								
Developer Fee - Cash-out Paid at Milestones	24,983	43,767	409,702	140,298			618,750	
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee								
Developer Fee - GP Equity (also show as source)								
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	**24,983**	**43,767**	**409,702**	**140,298**	**0**	**0**	**618,750**	
TOTAL DEVELOPMENT COST	**2,000,000**	**1,000,000**	**1,394,000**	**140,298**	**0**	**0**	**4,534,298**	
Development Cost/Unit by Source	17,857	8,929	12,446	1,253	0	0	40,485	
Development Cost/Unit as % of TDC by Source	44.1%	22.1%	30.7%	3.1%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit By Source	7,589	0	0	0	0	0	7,589	
Construction Cost (inc Const Contingency)/SF	9.70	0.00	0.00	0.00	0.00	0.00	9.70	

Construction line item costs as a % of hard costs	
	0.0%
	0.0%
	0.0%
	0.0%
	0.0%
	0.0%
Total Soft Cost Contingency as % of Total Soft Costs	**10.0%**

**Possible non-eligible GO Bond/COP Amount:*	*890,000*
City Subsidy/Unit	17,857
Tax Credit Equity Pricing:	0.94
Construction Bond Amount:	42,211,435
Construction Loan Term (in months):	30 months
Construction Loan Interest Rate (as %):	4.40%

Attachment C: Permanent Sources and Uses Budget

Application Date:	1/26/22	**# Units:**	**112**
Project Name:	The Kelsey Civic Center	***# Bedrooms:***	**144**
Project Address:	240 Van Ness Ave	**# Beds:**	
Project Sponsor:	Mercy Housing California/The Kelsey		

									Total Sources	Comments
SOURCES	**12,150,000**	**5,816,000**	**20,000,000**	**2,500,000**	**554,914**	**37,219,621**	**1,686,575**	**1,135,059**	**81,062,169**	
Name of Sources:	MOHCD/OCII	Perm Loan	HCD - AHSC	CalHFA - MIP	MOHCD Accrued Deferred Interest	Investor/Tax Credit Equity	The Kelsey Civic Center Sponsor Loan	Deferred Fee		
USES										
ACQUISITION										
Acquisition cost or value	24,599								24,599	
Legal / Closing costs / Broker's Fee									0	
Holding Costs									0	
Transfer Tax									0	
TOTAL ACQUISITION	**24,599**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**24,599**	
CONSTRUCTION (HARD COSTS)										
* Unit Construction/Rehab		5,816,000	20,000,000	1,141,356		20,504,449			47,461,805	FF&E shown below, includes escalation and GC contingency
* Commercial Shell Construction									0	In commerical tab
* Demolition									0	Demolition no longer a part of project cost, per conversations with MOHCD. The $850,000 value is shown in predev under demolition.
Environmental Remediation									0	
* Onsight Improvements/Landscaping						1,540,035			1,540,035	
* Offsite Improvements									0	
* Infrastructure Improvements									0	HOPE SF/OCII costs for streets etc.
Parking									0	
GC Bond Premium/GC Insurance/GC Taxes						1,486,311			1,486,311	**2.6%**
GC Overhead & Profit						1,869,697			1,869,697	Contractor Fee **3.3%**
CG General Conditions						5,055,508			5,055,508	General Conditions + General Requirements **8.8%**
Sub-total Construction Costs	*0*	*5,816,000*	*20,000,000*	*1,141,356*	*0*	*30,456,000*	*0*	*0*	*57,413,356*	
Design Contingency (remove at DD)						703,248			703,248	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+ **1.2%**
Bid Contingency (remove at bid)						1,701,790			1,701,790	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+ **3.0%**
Plan Check Contingency (remove/reduce during Plan Review)						1,112,281			1,112,281	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+ **1.9%**
Hard Cost Construction Contingency						3,060,048			3,060,048	5% new construction / 15% rehab **5.3%**
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*6,577,366*	*0*	*0*	*6,577,366*	
TOTAL CONSTRUCTION COSTS	**0**	**5,816,000**	**20,000,000**	**1,141,356**	**0**	**37,033,366**	**0**	**0**	**63,990,722**	
SOFT COSTS										
Architecture & Design										
Architect design fees	2,614,855								2,614,855	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)									0	
Architect Construction Admin									0	
Reimbursables									0	
Additional Services									0	
Sub-total Architect Contract	*2,614,855*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*2,614,855*	
Other Third Party design consultants (not included under Architect contract)	399,137								399,137	Title 24, CUAC modeling, GPR, Commissioning, Waterproofing, Building Maintenance, Security Design, Universal Design, Telecom/Wifi
Total Architecture & Design	**3,013,992**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,013,992**	
Engineering & Environmental Studies										
Survey	34,438								34,438	
Geotechnical studies	30,355								30,355	
Phase I & II Reports	62,480								62,480	
CEQA / Environmental Review consultants									0	
NEPA / 106 Review									0	
CNA/PNA (rehab only)									0	
Other environmental consultants									0	
Total Engineering & Environmental Studies	**127,273**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**127,273**	
Financing Costs										
Construction Financing Costs										
Construction Loan Origination Fee				254,549		186,255			440,804	
Construction Loan Interest	3,690,791						136,690		3,827,481	Includes Taxable Tail and The Kelsey Accrued Interest
Title & Recording	122,993								122,993	
CDLAC & CDIAC fees	19,687								19,687	
Bond Issuer Fees				221,427					221,427	Cal HFA COI, Issuer Fee App, Issuer Fee Upfront, Issuer Fee During Const.
Other Bond Cost of Issuance	33,000								33,000	$8,000 = Trustee Fee / $25,000 COI Contingency
Other Construction Lender Expenses+Rate Lock Fee	100,000								100,000	
Sub-total Const. Financing Costs	*3,966,471*	*0*	*0*	*475,976*	*0*	*186,255*	*136,690*	*0*	*4,765,392*	
Permanent Financing Costs										
Permanent Loan Origination Fee	58,160								58,160	
Credit Enhance. & Appl. Fee	*11,000*								11,000	Perm Lender Expenses
Title & Recording	49,197								49,197	
Sub-total Perm. Financing Costs	*118,357*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*118,357*	
Total Financing Costs	**4,084,828**	**0**	**0**	**475,976**	**0**	**186,255**	**136,690**	**0**	**4,883,749**	
Legal Costs										
Borrower Legal fees	153,073								153,073	Owner legal (Construction Close, Perm Close, Syndication)
Land Use / CEQA Attorney fees									0	
Tax Credit Counsel									0	
Bond Counsel	125,000								125,000	
Construction Lender Counsel	40,000								40,000	
Permanent Lender Counsel	35,000								35,000	
* Other Legal (specify)									0	
Total Legal Costs	**353,073**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**353,073**	
Other Development Costs										
Appraisal	14,759								14,759	
Market Study									0	
* Insurance	737,958								737,958	
* Property Taxes									0	
Accounting / Audit	60,000								60,000	
* Organizational Costs									0	
Entitlement / Permit Fees	792,451								792,451	
* Marketing / Rent-up	375,000								375,000	
* Furnishings	224,000								224,000	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees	196,789								196,789	
TCAC App / Alloc / Monitor Fees	86,519								86,519	
* Financial Consultant fees	85,000								85,000	CHPC Syndication Consulting
Construction Management fees / Owner's Rep	334,541								334,541	Includes CM and Construction testing and inspection
Security during Construction									0	Included in Cahill number above
* Relocation							49,197		49,197	
Lot Line Adjustment/Parcel Exchange	23,615								23,615	Martin Ron & Associates - $24,000
Financial Consultant fees: AHSC	24,795								24,795	CDRG - $25,200
Public Art	62,460			277,540					340,000	
Total Other Development Costs	**3,017,887**	**0**	**0**	**277,540**	**0**	**0**	**49,197**	**0**	**3,344,624**	
Soft Cost Contingency										
Contingency (Arch, Eng, Fin, Legal & Other Dev)	383,348	0	0	0	0	0	85,963	0	469,311	Should be either 10% or 5% of total soft costs. **4.0%**
TOTAL SOFT COSTS	**10,980,401**	**0**	**0**	**753,516**	**0**	**186,255**	**271,850**	**0**	**12,192,022**	
RESERVES										
* Operating Reserves							964,853		964,853	
Replacement Reserves									0	
* Tenant Improvements Reserves									0	
* Other (specify)									0	
* Other (specify)									0	
* Other (specify)									0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**964,853**	**0**	**964,853**	
DEVELOPER COSTS										
Developer Fee - Cash-out Paid at Milestones	1,145,000								1,145,000	
Developer Fee - Cash-out At Risk				605,128			449,872		1,055,000	
Commercial Developer Fee									0	
Developer Fee - GP Equity (also show as source)									0	
Developer Fee - Deferred (also show as source)								1,135,059	1,135,059	
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects
MOHCD Accrued Deferred Interest					554,914				554,914	
TOTAL DEVELOPER COSTS	**1,145,000**	**0**	**0**	**605,128**	**554,914**	**0**	**449,872**	**1,135,059**	**3,889,973**	
TOTAL DEVELOPMENT COST	**12,150,000**	**5,816,000**	**20,000,000**	**2,500,000**	**554,914**	**37,219,621**	**1,686,575**	**1,135,059**	**81,062,169**	
Development Cost/Unit by Source	108,482	51,929	178,571	22,321	4,955	332,318	15,059	10,134	723,769	
Development Cost/Unit as % of TDC by Source	15.0%	7.2%	24.7%	3.1%	0.7%	45.9%	2.1%	1.4%	100.0%	
Acquisition Cost/Unit by Source	220	0	0	0	0	0	0	0	220	
Construction Cost (inc Const Contingency)/Unit By Source	0	51,929	178,571	10,191	0	330,655	0	0	571,346	
Construction Cost (inc Const Contingency)/SF	0.00	66.39	228.29	13.03	0.00	422.73	0.00	0.00	730.44	

Construction line item costs as a % of hard costs

Total Soft Cost Contingency as % of Total Soft Costs

**Possible non-eligible GO Bond/COP Amount:*	*1,421,958*
City Subsidy/Unit	108,482
Tax Credit Equity Pricing:	0.940
Construction Bond Amount:	58,917,735
Construction Loan Term (in months):	30 months
Construction Loan Interest Rate (as %):	4.20%

Attachment D: 1st Year Operating Budget

Application Date:	**1/26/2022**	**Project Name:**	**The Kelsey Civic Center**
Total # Units:	**112**	**Project Address:**	**240 Van Ness Ave**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2024**	**Project Sponsor:**	**Mercy Housing California/The Kelsey**

INCOME	**Total**	**Comments**
Residential - Tenant Rents	1,787,424	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	309,096	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	6,240	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	**2,102,760**	
Vacancy Loss - Residential - Tenant Rents	(89,683)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(15,455)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	**1,997,622**	***PUPA: 17,836***
OPERATING EXPENSES		
Management		
Management Fee	87,360	1st Year to be set according to HUD schedule.
Asset Management Fee	26,009	
Sub-total Management Expenses	**113,369**	***PUPA: 1,012***
Salaries/Benefits		
Office Salaries	140,756	Includes 1 PM, 1 APM
Manager's Salary		
Health Insurance and Other Benefits		
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	**140,756**	***PUPA: 1,257***
Administration		
Advertising and Marketing	3,120	
Office Expenses	44,907	
Office Rent		
Legal Expense - Property	6,000	
Audit Expense	27,800	Audit and Accounting/Bookkeeping
Bookkeeping/Accounting Services		
Bad Debts		
Miscellaneous		
Sub-total Administration Expenses	**81,827**	***PUPA: 731***
Utilities		
Electricity	48,272	
Water	174,688	Water/Sewer combined
Gas	0	All-electric building
Sewer		
Sub-total Utilities	**222,960**	***PUPA: 1,991***
Taxes and Licenses		
Real Estate Taxes	2,500	
Payroll Taxes	120,225	Taxes and benefits
Miscellaneous Taxes, Licenses and Permits	2,500	
Sub-total Taxes and Licenses	**125,225**	***PUPA: 1,118***
Insurance		
Property and Liability Insurance	140,000	
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	**140,000**	***PUPA: 1,250***
Maintenance & Repair		
Payroll	104,824	1 FTE Maintenance, 1 FTE Janitor
Supplies	103,861	Includes external maintenance contracts
Contracts		
Garbage and Trash Removal	48,257	Per discussion with Recology
Security Payroll/Contract	47,000	After hours/weekend front desk coverage
HVAC Repairs and Maintenance	19,136	
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses	**323,078**	***PUPA: 2,885***
Supportive Services	204,000	2 FTE Includion Concierge, includes weekday front desk coverage
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL OPERATING EXPENSES	***1,351,215***	***PUPA: 12,064***
Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	15,000	Ground lease with MOHCD — Provide additional comments here, if needed.
Bond Monitoring Fee	3,500	
Replacement Reserve Deposit	56,000	
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**74,500**	***PUPA: 665***
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,425,715**	***PUPA: 12,730***
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**571,907**	***PUPA: 5,106***
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender	429,570	CalHFA Tax Exempt Perm Loar — Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lend	84,000	HCD - AHSC — Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	N/A	CalHFA - MIP — Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	**513,570**	***PUPA: 4,585***
CASH FLOW (NOI minus DEBT SERVICE)	**58,337**	
USES OF CASH FLOW BELOW (This row also shows DSCR.)	***1.11***	
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)	25,130	1st
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	7,500	2nd
Other Payments		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	17,742	Def. Develop. Fee split: 69% — Provide additional comments here, if needed.
	Deferred Developer Fee exceeds annual limit!	
TOTAL PAYMENTS PRECEDING MOHCD	**50,372**	***PUPA: 450***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**7,965**	

Residual Receipts Calculation			
Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**Yes**
Will Project Defer Developer Fee?	**Yes**		
Max **Deferred Developer Feel/Borrower** % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	**12,853**
% of Residual Receipts available for distribution to **soft debt lenders** in	50%		

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	$12,150,000	34.91%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	$150,000	0.43%
HCD (soft debt loan) - Lender 3	HCD - AHSC	$20,000,000	57.47%
Other Soft Debt Lender - Lender 4	CalHFA - MIP	$2,500,000	7.18%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	2,815	50% of residual receipts, multiplied by 35.34% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	2,815	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	**5,149**	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	4,577	50% of residual receipts, multiplied by 57.47% -- HCD - AHSC's pro rata share of all soft debt
Lender 4 Residual Receipts Due	572	50% of residual receipts, multiplied by 7.18%, CalHFA - MIP's pro rata share of all soft debt
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	**5,149**	
REMAINDER (Should be zero unless there are distributions below)	**0**	
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Min DSCR:	1.15
Mortgage Rate:	4.38%
Term (Years):	35
Supportable 1st Mortgage Pmt:	497,310
Supportable 1st Mortgage Amt:	$8,900,752
Proposed 1st Mortgage Amt:	$5,816,000

Attachment E: 20-year Operating Pro Forma

The Kelsey Civic Center

Total # Units: *112*

	% annual increase	Comments (related to annual inc assumptions)	Year 1 2024 Total	Year 2 2025 Total	Year 3 2026 Total	Year 4 2027 Total	Year 5 2028 Total	Year 6 2029 Total	Year 7 2030 Total	Year 8 2031 Total	Year 9 2032 Total	Year 10 2033 Total
INCOME												
Residential - Tenant Rents	2.5%		1,787,424	1,832,110	1,877,912	1,924,860	1,972,982	2,022,306	2,072,864	2,124,685	2,177,803	2,232,248
Residential - Tenant Assistance Payments (Non-LOSP)	n/a		309,096	312,815	318,429	324,797	331,293	337,919	344,677	351,571	358,602	365,774
Commercial Space	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		6,240	6,396	6,555	6,719	6,887	7,059	7,236	7,417	7,602	7,792
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-									
Gross Potential Income			**2,102,760**	**2,151,320**	**2,202,897**	**2,256,376**	**2,311,162**	**2,367,285**	**2,424,777**	**2,483,673**	**2,544,007**	**2,605,814**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(89,683)	(91,925)	(94,223)	(96,579)	(98,993)	(101,468)	(104,005)	(106,605)	(109,270.24)	(112,002)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		(15,455)	(15,641)	(15,921)	(16,240)	(16,565)	(16,896)	(17,234)	(17,579)	(17,930)	(18,289)
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**1,997,622**	**2,043,754**	**2,092,752**	**2,143,558**	**2,195,604**	**2,248,920**	**2,303,538**	**2,359,490**	**2,416,807**	**2,475,523**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	87,360	90,418	93,582	96,858	100,248	103,756	107,388	111,146	115,036	119,063
Asset Management Fee	3.5%	per MOHCD policy	26,009	26,919	27,861	28,837	29,846	30,891	31,972	33,091	34,249	35,448
Sub-total Management Expenses			**113,369**	**117,337**	**121,444**	**125,694**	**130,094**	**134,647**	**139,359**	**144,237**	**149,285**	**154,510**
Salaries/Benefits												
Office Salaries	3.5%		140,756	145,682	150,781	156,059	161,521	167,174	173,025	179,081	185,349	191,836
Manager's Salary	3.5%		-	-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**140,756**	**145,682**	**150,781**	**156,059**	**161,521**	**167,174**	**173,025**	**179,081**	**185,349**	**191,836**
Administration												
Advertising and Marketing	3.5%		3,120	3,229	3,342	3,459	3,580	3,706	3,835	3,970	4,108	4,252
Office Expenses	3.5%		44,907	46,479	48,106	49,789	51,532	53,335	55,202	57,134	59,134	61,204
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		6,000	6,210	6,427	6,652	6,885	7,126	7,376	7,634	7,901	8,177
Audit Expense	3.5%		27,800	28,773	29,780	30,822	31,901	33,018	34,173	35,369	36,607	37,889
Bookkeeping/Accounting Services	3.5%		-	-	-	-	-	-	-	-	-	-
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses			**81,827**	**84,691**	**87,655**	**90,723**	**93,898**	**97,185**	**100,586**	**104,107**	**107,751**	**111,522**
Utilities												
Electricity	3.5%		48,272	49,962	51,710	53,520	55,393	57,332	59,339	61,415	63,565	65,790
Water	3.5%		174,688	180,802	187,130	193,680	200,458	207,475	214,736	222,252	230,031	238,082
Gas	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Utilities			**222,960**	**230,764**	**238,840**	**247,200**	**255,852**	**264,807**	**274,075**	**283,667**	**293,596**	**303,872**
Taxes and Licenses												
Real Estate Taxes	3.5%		2,500	2,588	2,678	2,772	2,869	2,969	3,073	3,181	3,292	3,407
Payroll Taxes	3.5%		120,225	124,433	128,788	133,296	137,961	142,790	147,787	152,960	158,313	163,854
Miscellaneous Taxes, Licenses and Permits	3.5%		2,500	2,588	2,678	2,772	2,869	2,969	3,073	3,181	3,292	3,407
Sub-total Taxes and Licenses			**125,225**	**129,608**	**134,144**	**138,839**	**143,699**	**148,728**	**153,933**	**159,321**	**164,897**	**170,669**
Insurance												
Property and Liability Insurance	3.5%		140,000	144,900	149,972	155,221	160,653	166,276	172,096	178,119	184,353	190,806
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			**140,000**	**144,900**	**149,972**	**155,221**	**160,653**	**166,276**	**172,096**	**178,119**	**184,353**	**190,806**
Maintenance & Repair												
Payroll	3.5%		104,824	108,493	112,290	116,220	120,288	124,498	128,855	133,365	138,033	142,864
Supplies	3.5%		103,861	107,496	111,258	115,153	119,183	123,354	127,672	132,140	136,765	141,552
Contracts	3.5%		-	-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%		48,257	49,946	51,694	53,503	55,376	57,314	59,320	61,396	63,545	65,769
Security Payroll/Contract	3.5%		47,000	48,645	50,348	52,110	53,934	55,821	57,775	59,797	61,890	64,056
HVAC Repairs and Maintenance	3.5%		19,136	19,806	20,499	21,216	21,959	22,728	23,523	24,346	25,198	26,080
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			**323,078**	**334,386**	**346,089**	**358,202**	**370,739**	**383,715**	**397,145**	**411,045**	**425,432**	**440,322**
Supportive Services	3.5%		204,000	211,140	218,530	226,178	234,095	242,288	250,768	259,545	268,629	278,031
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			***1,351,215***	**1,398,508**	**1,447,455**	**1,498,116**	**1,550,550**	**1,604,820**	**1,660,988**	**1,719,123**	**1,779,292**	**1,841,567**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)			***12,064***									
Reserves/Ground Lease Base Rent/Bond Fees			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*									
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Replacement Reserve Deposit			56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**1,425,715**	**1,473,008**	**1,521,955**	**1,572,616**	**1,625,050**	**1,679,320**	**1,735,488**	**1,793,623**	**1,853,792**	**1,916,067**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)			***12,730***									
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**571,907**	**570,747**	**570,797**	**570,941**	**570,554**	**569,601**	**568,050**	**565,867**	**563,014**	**559,456**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*									
Hard Debt - First Lender		Enter comments re: annual increase, etc.	429,570	412,982	412,982	412,982	412,982	412,982	412,982	412,982	412,982	412,982
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**513,570**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**
CASH FLOW (NOI minus DEBT SERVICE)			**58,337**	**73,765**	**73,815**	**73,959**	**73,572**	**72,619**	**71,068**	**68,885**	**66,032**	**62,474**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***1.114***	***1.148***	***1.149***	***1.149***	***1.148***	***1.146***	***1.143***	***1.139***	***1.133***	***1.126***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-									
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	25,130	26,010	26,920	27,862	28,837	29,847	30,891	31,972	33,091	34,250
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Payments			-									
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.	-									
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.	-									
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			17,742	239,751	20,025	19,256	18,255	17,010	15,511	13,745	11,700	9,363
TOTAL PAYMENTS PRECEDING MOHCD			***50,372***	***273,261***	***54,445***	***54,618***	***54,592***	***54,357***	***53,902***	***53,217***	***52,291***	***51,113***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**7,965**	**(199,496)**	**19,370**	**19,341**	**18,979**	**18,262**	**17,166**	**15,667**	**13,741**	**11,361**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:										
Will Project Defer Developer Fee?	***Yes***	2038										
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:		*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*							
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2039										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			12,853	20,128	19,697	19,299	18,617	17,636	16,338	14,706	12,720	10,362
		ative Deferred Developer Fee Earned	17,742	257,493	277,518	296,774	315,029	332,039	347,550	361,295	372,995	382,358
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*											
MOHCD Residual Receipts Amount Due	*35.34%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	2,815	-	6,846	6,836	6,708	6,455	6,067	5,538	4,857	4,016
Proposed MOHCD Residual Receipts Amount to Loan Repayment			2,815	84,068	7,022	6,836	6,752	6,401	5,965	5,439	4,820	3,283
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	(84,068)	(176)	-	(44)	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*57.47%*	loans, and HCD residual receipt policy.	4,577	-	11,132	11,116	10,908	10,496	9,865	9,004	7,897	6,529
Lender 4 Residual Receipts Due	*7.18%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy.	572	-	1,392	1,389	1,363	1,312	1,233	1,126	987	816
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**5,149**	**-**	**12,524**	**12,505**	**12,271**	**11,808**	**11,098**	**10,130**	**8,884**	**7,346**
REMAINDER (Should be zero unless there are distributions below)			**-**	**-**	**-**	**0**	**-**	**-**	**-**	**-**	**-**	**-**
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-	-	-
Other Distributions/Uses			-									
Final Balance (should be zero)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			-	**56,000**	**112,000**	**168,000**	**224,000**	**280,000**	**336,000**	**392,000**	**448,000**	**504,000**
Replacement Reserve Deposits			**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Interest												
RR Running Balance			**56,000**	**112,000**	**168,000**	**224,000**	**280,000**	**336,000**	**392,000**	**448,000**	**504,000**	**560,000**
		RR Balance/Unit	*$500*	*$1,000*	*$1,500*	*$2,000*	*$2,500*	*$3,000*	*$3,500*	*$4,000*	*$4,500*	*$5,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance				-	-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance				-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-

The Kelsey Civic Center

Total # Units: *112*

	% annual increase	Comments (related to annual inc assumptions)	Year 11 2034 Total	Year 12 2035 Total	Year 13 2036 Total	Year 14 2037 Total	Year 15 2038 Total	Year 16 2039 Total	Year 17 2040 Total	Year 18 2041 Total	Year 19 2042 Total	Year 20 2043 Total
INCOME												
Residential - Tenant Rents	2.5%		2,288,054	2,345,255	2,403,887	2,463,984	2,525,583	2,588,723	2,653,441	2,719,777	2,787,771	2,857,466
Residential - Tenant Assistance Payments (Non-LOSP)	n/a		373,090	380,552	388,163	395,926	403,844	411,912	420,160	434,866	450,086	465,839
Commercial Space	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		7,987	8,187	8,391	8,601	8,816	9,037	9,263	9,494	9,732	9,975
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable										
Gross Potential Income			**2,669,131**	**2,733,994**	**2,800,441**	**2,868,511**	**2,938,244**	**3,009,672**	**3,082,864**	**3,164,137**	**3,247,589**	**3,333,279**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(114,802)	(117,672)	(120,614)	(123,629)	(126,720)	(129,888)	(133,135)	(136,464)	(139,875)	(143,372)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		(18,655)	(19,028)	(19,408)	(19,796)	(20,192)	(20,596)	(21,008)	(21,743)	(22,504)	(23,292)
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**2,535,674**	**2,597,294**	**2,660,419**	**2,725,085**	**2,791,331**	**2,859,188**	**2,928,720**	**3,005,930**	**3,085,209**	**3,166,615**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	123,230	127,543	132,007	136,627	141,409	146,358	151,481	156,783	162,270	167,950
Asset Management Fee	3.5%	per MOHCD policy	36,688	37,972	39,301	40,677	42,101	43,574	45,099	46,678	48,311	50,002
Sub-total Management Expenses			**159,918**	**165,515**	**171,308**	**177,304**	**183,510**	**189,933**	**196,580**	**203,461**	**210,582**	**217,952**
Salaries/Benefits												
Office Salaries	3.5%		198,550	205,499	212,692	220,136	227,841	235,815	244,069	252,611	261,453	270,604
Manager's Salary	3.5%		-	-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**198,550**	**205,499**	**212,692**	**220,136**	**227,841**	**235,815**	**244,069**	**252,611**	**261,453**	**270,604**
Administration												
Advertising and Marketing	3.5%		4,401	4,555	4,715	4,880	5,050	5,227	5,410	5,599	5,795	5,998
Office Expenses	3.5%		63,346	65,563	67,858	70,233	72,691	75,235	77,868	80,593	83,414	86,334
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		8,464	8,760	9,066	9,384	9,712	10,052	10,404	10,768	11,145	11,535
Audit Expense	3.5%		39,215	40,587	42,008	43,478	45,000	46,575	48,205	49,892	51,638	53,446
Bookkeeping/Accounting Services	3.5%		-	-	-	-	-	-	-	-	-	-
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses			**115,425**	**119,465**	**123,646**	**127,974**	**132,453**	**137,089**	**141,887**	**146,853**	**151,993**	**157,313**
Utilities												
Electricity	3.5%		68,092	70,476	72,942	75,495	78,138	80,872	83,703	86,633	89,665	92,803
Water	3.5%		246,415	255,039	263,966	273,204	282,767	292,663	302,907	313,508	324,481	335,838
Gas	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Utilities			**314,507**	**325,515**	**336,908**	**348,700**	**360,904**	**373,536**	**386,610**	**400,141**	**414,146**	**428,641**
Taxes and Licenses												
Real Estate Taxes	3.5%		3,526	3,650	3,778	3,910	4,047	4,188	4,335	4,487	4,644	4,806
Payroll Taxes	3.5%		169,589	175,525	181,668	188,027	194,608	201,419	208,468	215,765	223,317	231,133
Miscellaneous Taxes, Licenses and Permits	3.5%		3,526	3,650	3,778	3,910	4,047	4,188	4,335	4,487	4,644	4,806
Sub-total Taxes and Licenses			**176,642**	**182,825**	**189,224**	**195,846**	**202,701**	**209,796**	**217,138**	**224,738**	**232,604**	**240,745**
Insurance												
Property and Liability Insurance	3.5%		197,484	204,396	211,550	218,954	226,617	234,549	242,758	251,255	260,048	269,150
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			**197,484**	**204,396**	**211,550**	**218,954**	**226,617**	**234,549**	**242,758**	**251,255**	**260,048**	**269,150**
Maintenance & Repair												
Payroll	3.5%		147,865	153,040	158,396	163,940	169,678	175,617	181,763	188,125	194,709	201,524
Supplies	3.5%		146,506	151,634	156,941	162,434	168,119	174,003	180,094	186,397	192,921	199,673
Contracts	3.5%		-	-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%		68,071	70,454	72,920	75,472	78,113	80,847	83,677	86,606	89,637	92,774
Security Payroll/Contract	3.5%		66,298	68,619	71,020	73,506	76,079	78,741	81,497	84,350	87,302	90,358
HVAC Repairs and Maintenance	3.5%		26,993	27,938	28,916	29,928	30,975	32,059	33,182	34,343	35,545	36,789
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			**455,733**	**471,684**	**488,193**	**505,280**	**522,965**	**541,268**	**560,213**	**579,820**	**600,114**	**621,118**
Supportive Services	3.5%		287,762	297,834	308,258	319,047	330,214	341,771	353,733	366,114	378,928	392,190
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			**1,906,022**	**1,972,733**	**2,041,779**	**2,113,241**	**2,187,204**	**2,263,756**	**2,342,988**	**2,424,993**	**2,509,867**	**2,597,713**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Replacement Reserve Deposit			56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**	**74,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**1,980,522**	**2,047,233**	**2,116,279**	**2,187,741**	**2,261,704**	**2,338,256**	**2,417,488**	**2,499,493**	**2,584,367**	**2,672,213**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**555,152**	**550,061**	**544,140**	**537,345**	**529,627**	**520,932**	**511,232**	**506,437**	**500,842**	**494,403**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender		Enter comments re: annual increase, etc.	412,982	412,982	412,982	412,982	412,982	412,982	412,982	412,982	412,982	412,982
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**	**496,982**
CASH FLOW (NOI minus DEBT SERVICE)			**58,170**	**53,079**	**47,158**	**40,363**	**32,645**	**23,950**	**14,250**	**9,455**	**3,860**	**(2,579)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***1.117***	***1.107***	***1.095***	***1.081***	***1.066***	***1.048***	***1.029***	***1.019***	***1.008***	***0.995***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy										
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	35,448	36,689	37,973	39,302	40,678					
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	7,500	7,500	7,500	7,500	7,500					
Other Payments												
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.										
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.										
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			6,720	3,758	462	858	-			-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			***49,668***	***47,947***	***45,935***	***47,660***	***48,178***	**-**	**-**	**-**	**-**	**-**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**8,502**	**5,132**	**1,223**	**(7,298)**	**(15,533)**	**23,950**	**14,250**	**9,455**	**3,860**	**(2,579)**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:										
Will Project Defer Developer Fee?	***Yes***	2038										
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:										
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2039										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			7,611	4,445	843							
	Dist. Soft Debt Loans	ative Deferred Developer Fee Earned	389,078	392,836	393,298	394,156	394,156					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due	*35.34%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	3,005	1,814	432	-	-	5,643	3,358	2,228	910	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			2,356	1,318	162	-	-	5,643	3,358	2,228	910	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*57.47%*	loans, and HCD residual receipt policy.	4,886	2,950	703	-	-	9,176	5,460	3,623	1,479	-
Lender 4 Residual Receipts Due	*7.18%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy.	611	369	88	-	-	1,147	682	453	185	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**5,497**	**3,318**	**791**	**-**	**-**	**10,323**	**6,142**	**4,076**	**1,664**	**-**
REMAINDER (Should be zero unless there are distributions below)			**0**	**0**	**0**	**-**	**-**	**7,983**	**4,750**	**3,152**	**1,287**	**-**
Owner Distributions/Incentive Management Fee			-	-	-	-	-	7,983	4,750	3,152	1,287	-
Other Distributions/Uses												
Final Balance (should be zero)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			**560,000**	**616,000**	**672,000**	**728,000**	**784,000**	**840,000**	**896,000**	**952,000**	**1,008,000**	**1,064,000**
Replacement Reserve Deposits			**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**	**56,000**
Replacement Reserve Withdrawals (ideally tied to CNA)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Replacement Reserve Interest												
RR Running Balance			**616,000**	**672,000**	**728,000**	**784,000**	**840,000**	**896,000**	**952,000**	**1,008,000**	**1,064,000**	**1,120,000**
		RR Balance/Unit	*$5,500*	*$6,000*	*$6,500*	*$7,000*	*$7,500*	*$8,000*	*$8,500*	*$9,000*	*$9,500*	*$10,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating Reserve Deposits			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Reserve 1 Deposits			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Reserve 2 Deposits			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Attachment F: Previous Predev and Prelim Gap Request January 22, 2021

Citywide Affordable Housing Loan Committee

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

The Kelsey Civic Center at 240 Van Ness
$2,000,000 Predevelopment Loan
And
$13,000,000 Preliminary Gap Loan (includes $2 million predevelopment loan amount)

Evaluation of Request for:	$2,000,000 Predevelopment
	$13,000,000 Gap (Preliminary)
Loan Committee Date:	January 22, 2020
Prepared By:	Mara Blitzer
Source of Funds Recommended:	$2,000,000 - AHF Inclusionary
	$10,500,000 – AHF Inclusionary
	$500,000 – Jobs Housing Linkage Fee
NOFA/PROGRAM/RFP:	Department of Real Estate C40 Competition
Total Previous City Funds Committed:	$0
Applicant/Sponsor Name:	Mercy Housing CA & The Kelsey

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	The Kelsey Civic Center	Sponsor(s):	Mercy Housing CA & The Kelsey
Project Address (w/ cross St):	240 Van Ness	Ultimate Borrower Entity:	TBD

Project Summary:

The Sponsor, made up of nonprofits Mercy Housing CA ("MHC") and The Kelsey, requests $2 million to finance predevelopment costs for a proposed new construction affordable rental housing development located at 240 Van Ness Ave. ("the Site" or "The Kelsey Civic Center/TKCC"), three city-owned lots on Van Ness Ave., bordered by Grove Street and Dr. Tom Waddell Place. The Site was awarded to the development team through the C40 Reinventing Cities Competition, run through the Department of Real Estate. This request is based on preliminary schematic level of architectural design. The development team further requests a preliminary gap commitment of $13,000,000, to enable an application for funds from the CA Department of Housing and Community Development in spring 2021.

The proposed concept for The Kelsey Civic Center is an 8-story building with 109 units built on the 13,815 square foot ("sf") infill lot. The proposed mix of units includes 77 studios and 32 2br units, including two on-site staff units. These will include 27 units reserved for people with disabilities who use home and community-based services with incomes ranging between 20%-30% of Area Median Income ("MOHCD AMI"). The balance of the 81 units will be for households with incomes ranging between 40% and 80% MOHCD AMI.

Proposed permanent financing includes tax-exempt bonds, 4% Low-Income Housing Tax Credits, Federal Home Loan Bank Affordable Housing Program (AHP) funds, Deferred Developer Fee, a sponsor loan from The Kelsey, a MOHCD gap loan, the State of California Affordable Housing and Sustainable Communities Program (AHSC), and the State of California Infill Infrastructure Grant (IIG) program. Construction start is expected in mid-2022, with construction completion in March 2024.

Project Description:

Construction Type:	Midrise, type III over Type I	Project Type:	New Construction
Number of Stories:	8	Lot Size (acres and sf):	.32 acres / 13,815 sf
Number of Units:	109	Architect:	WRNS/Santos Prescott Associates
Total Residential Area:	86,292 sf	General Contractor:	Cahill Contractors LLC
Total Commercial Area:	1,349 sf	Property Manager:	MHMG
Total Building Area:	87,641 sf	Supervisor and District:	Haney, District 6
Land Owner:	City of San Francisco		
Total Development Cost (TDC):	$88,269,116	Total Acquisition Cost:	$0
TDC/unit:	$809,808	TDC less land cost/unit:	$809,718
Loan Amount Requested:	$2,000,000/$13,000,000	Request Amount / unit:	$18,691 predev/$119k gap
HOME Funds?	No	Parking?	No

PRINCIPAL DEVELOPMENT ISSUES

- **Land exchange and ground lease**. A parcel exchange agreement between the City and neighbors must be completed quickly to meet site control and readiness requirements for HCD funding. This is being done working with RED and includes a required appraisal (though exchange is of equal value) funded by MOHCD, as well as Board of Supervisors approval on short turnaround, to meet AHSC NOFA application threshold. To meet requirements of HCD, City will enter into an Option to Ground Lease. Please see Section 2.3.
- **State funding assumptions (AHSC, IIG, tax credits and tax-exempt bonds)**. The State recently revised AHSC guidelines, and then further announced a pause to synchronize with latest TCAC and CDLAC regulation changes. Mercy will need to track how AHSC changes could impact the $20 million maximum request, as well as manage the short turnaround to meet AHSC NOFA application requirements. The sponsor is working with a consultant to address competitiveness for AHSC, IIG, tax exempt bonds and tax credits, as well as AHP. Please see Section 6.5.1.
- **Income mix.** While the proposed project meets the MOHCD underwriting guideline with the average AMI level at below 60% AMI, the current unit mix includes a number of units underwritten at 80% MOHCD AMI. MOHCD has concerns about Mercy's ability to market the units in the higher income tiers. MOHCD will require that the Sponsor explore including a higher percentage of units at lower AMI tiers. Please see Sections 4.6 and 4.7.
- **Unique population mix:** TKCC will have 27 units set aside for people with disabilities who use home and community-based services. MHC and the Kelsey will need to work with MOHCD to ensure compliance with fair housing laws, as well as to build out capacity in DAHLIA to address the lottery needs for this building. Please see Section 4.7.
- **Meeting MOHCD's racial equity goals with community outreach and marketing**. MOHCD is requiring that MHC and The Kelsey provide a detailed marketing plan that addresses the City's racial equity goals related to housing access, as well as a separate racial equity plan that addresses community outreach. Please see Section 11.3, recommended conditions of loan approval.
- **New development partner:** The Kelsey is a new development partner for MOHCD Housing, and this Project is only the second in the history of the organization. Kelsey staff are supported by MHC, a strong development partner with a long track record of development in San Francisco. The Kelsey seeks to retain full project ownership after the 15-year tax credit compliance period is complete. Please see Section 1.2.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD	$2,000,000	3 years @ 3% deferred	This Request
The Kelsey Dignity Health	$1,000,000	3.5%, paid quarterly	Committed
The Kelsey Sponsor Loan	$600,000	0%, revolving	Not Committed
Mercy Line of Credit or Other Predevelopment Source	$821,061	~2-5%, floating	Not Committed
Total	$4,421,061		

Permanent Sources	Amount	Terms	Status
MOHCD	$13,000,000	55 yrs. @ 3.0% / Res Rec	This Request
HCD - AHSC	$20,000,000	55 yrs. @ .42% / Res Rec	Not Committed
HCD – IIG	$4,000,000	Grant	Not Committed
FHLB AHP	$1,050,000	55 years, 0%	Not Committed
The Kelsey Sponsor Loan	$8,477,051	55 years, 0%	Not Committed
Tax Credits	$32,733,699	$0.95 per credit	Not Committed
General Partner Equity	$8,921,903		Not Committed
Accrued Deferred Interest	$86,464		Not Committed
Total	$88,269,116		

Uses	Amount	Per Unit	Per SF
Acquisition	$ 9,846	$ 90	$ 0
Hard Costs	$ 64,775,759	$ 594,273	$ 739
Soft Costs	$ 11,534,798	$ 109,621	$ 140
Developer Fee	$ 11,534,798	$ 105,824	$ 126
Total	$ 88,269,116	$ 809,808	$ 1,006

1. BACKGROUND

1.1. Project History Leading to This Request.

The City of San Francisco offered the underutilized, irregular shaped parcels for disposition through an international design competition after MOHCD evaluated the site for development as affordable housing in 2016. In part due to the irregularly shaped site, it was deemed that too much of a public subsidy would be needed to develop the site in its current formation, so MOHCD passed on the opportunity to develop it as affordable housing. The site was put into the Reinventing Cities competition organized by C40, an international organization representing more than 90 cities focused on addressing climate change, by the Department of Real Estate (RED) with support from the Department of Environment.

The Kelsey first engaged in a Request for Proposals (RFP) for the parcels at 155 Grove, 165 Grove, and 240 Van Ness in 2017 through the C40 Reinventing Cities competition.

There were two phases of the C40 competition, whose goal is to serve as a model for cities around the world, demonstrating how the alliance between cities and business can shape the future delivering healthier, greener, and economically viable urban development. The original ten development teams were narrowed down to four applicants by round two. The Kelsey partnered with Mercy Housing CA in round two of the competition. At the end of 2019, the City announced The Kelsey Civic Center as the best all-around applicant and RED, Mercy Housing and The Kelsey entered into an Exclusive Negotiating Agreement for a ground lease on the site.

In early 2020, the development team, in discussion with the owner of the neighboring parcels, 234 Van Ness and 250 Van Ness, facilitated an agreement between RED and the owners to perform an equal property swap of 240 Van Ness (owned by the City) and 234 Van Ness (owned by the McBaine family, a private entity, the same ownership entity of 250 Van Ness). In April 2020, the two groups executed an exclusive negotiating agreement to bridge the property exchange agreement. Upon completion of the land exchange, The Kelsey Civic Center can now be developed in an “L” shape instead of a much more costly, inefficient, and logistically challenging “T” shape.

MOHCD was brought back in to support TKCC after the development team was selected, because the site had not been in the pipeline.

1.1.1.1 The Kelsey conducted multiple focus groups with people with disabilities and families and service agencies. These focus groups, coupled with data as presented above, and reflecting changing regulations around living arrangements for people with disabilities who require supportive services, drive a significant need for affordable, accessible, inclusive housing where design and program meets the needs of people with disabilities. Data suggests that only 15% of the targeted disability population (those with developmental disabilities (DD) and those who rely on in-home support services) live independently. The majority live in a community residence (group home or agency-operated apartments) or with a family or relative. For many, these living arrangements are not ideal, or do not provide long-term stability. The Kelsey’s research identified a lack of independent living options for individuals with disabilities, like those with DD, based on availability of a community with services to support individuals or options that were affordable.

Home and Community Based Services (HCBS) regulations passed in 2014, and since, increasingly move towards more independent,

community-based service models, requiring affordable housing stock to replace what previously was predominately institutional, nursing, or congregate housing models for low-income people with disabilities.

Previously, the most used program to fund housing for people with disabilities was the Section 811 program, which for most of its existence only allowed buildings of less than 24 units. A <24 unit building was not economically efficient to build in San Francisco and furthermore not considered an independent, community-based services model by some. Therefore, there are very few Section 811 units for people with disabilities in San Francisco. The Kelsey model of Inclusive Living housing for people with disabilities is seeking to provide a sustainable new model for reserving 25% of the units in the building for people with disabilities, with the remainder of the units on site being higher AMI restricted general population, affordable units.

Available research suggests that residents with disabilities that utilize HCBS primarily rely on Social Security Income ("SSI") for financial support. For high-cost areas, such as San Francisco, it is therefore important to provide independent living opportunities for HCBS individuals at low-income levels to ensure they are able to stay close to family and networks of support. The Sponsor has heard anecdotally from the Golden Gate Regional Center (GGRC) that many of their clients are forced to move outside of San Francisco due to high housing costs. Additionally, GGRC has confirmed that there are a significant number of households they serve who meet the definition for homeless and would qualify for access to housing through the Department of Homelessness and Supportive Housing's Coordinated Entry System (CES).

1.1.1.2 This loan request is for predevelopment work as well as to demonstrate the City's commitment for permanent financing to support an application for HCD funds from the AHSC and IIG programs.

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

The Kelsey and Mercy will serve as co-developers for The Kelsey Civic Center and the Borrower will be a Limited Partnership made up of Mercy Housing CA and The Kelsey. The Sponsor will create an LP before predevelopment loan closing. Mercy has developed over 50 properties in San Francisco over the last 35+ years. By the time TKCC is in operation, The Kelsey will have completed and stabilized a 115-unit, tax

credit development in San Jose that includes a fundraising commitment of $2.5 million in its capital stack.

The Kelsey was incorporated in May 2020 and prior to that was fiscally sponsored by Community Solutions, Inc, from January 2018 to May 2020. In 2020, the annual budget for The Kelsey was $850,000. The organization's mission is to center on the perspectives of people with disabilities to speed up the development of affordable, inclusive community housing, opening new doors to more opportunities for everyone. The Kelsey staff includes Founder and CEO Micaela Connery, COO Caroline Bas, 3 managers and 2 analysts.

The expertise and leadership of people with disabilities is critical to all parts of The Kelsey's work. People with disabilities are members of The Kelsey staff, Board of Directors, and are paid consultants. Through initiatives like Raise the Roof, The Kelsey trains and supports disabled advocates who want to work and/or advocate in the housing field.

In the organization's own words (thekelsey.org), "Our work must be co-led and supported by people with all types of disabilities and others with related lived experiences to disability and housing. It is critical to ensure that people with disabilities who have historically been underrepresented in housing and disability rights are centered. This includes disabled people who are Black Indigenous People of Color, LGBTQIA, immigrants, and those who have experienced housing insecurity, homelessness, and those who hold other marginalized identities."

The Kelsey and Mercy will act as co-general partners of the Limited Partnership, and Mercy will act as managing general partner of the LP. The developer fee is split 60% to Mercy/40% to The Kelsey. Mercy is taking the lead on managing consultants, development budget and financing plan, construction and perm financing, construction admin, and close out. The Kelsey is taking the lead on the development of the program, including universal design, and services planning and will participate at every stage of development. The Kelsey will be providing resident services and has an option agreement with the partnership for long term ownership at the end of the initial 15-year compliance period (this must be approved under the Ground Lease or MOHCD loan agreements).

The following Mercy and Kelsey staff members will be assigned to Kelsey Civic Center:

Project Management is staffed by Mercy's Fiona Ruddy (40% FTE) and Project Assistant Simonne Moreno (25% FTE), supervised by Sharon Christen, Barbara Gualco, and Ramie Dare; as well as The Kelsey's Caroline Bas (20% FTE) supervised by Micaela Connery and supported by additional The Kelsey staff.

MOHCD Community Development last conducted a fiscal review of Mercy Housing California in June 2019. There were no findings. The Kelsey is a relatively newly formed nonprofit organization and there are no fiscal reviews on file.

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

Site Description	
Zoning:	C-3-G – Downtown General Commercial District with a 70X height limit. The site is within the Civic Center Historic District.
Maximum units allowed by current zoning (N/A if rehab):	The Site's zoning allows a Floor Area Ratio of 6.0 square feet of building area for every one square foot of lot area. There is no residential density limit as a ratio of units to lot area; density is regulated by the permitted height and bulk and required setbacks, exposure and open space of the development lot.
Seismic (if applicable):	Seismic Zone 4; PML SUL are N/A because there are no existing structures on site that will be retained. The three buildings currently on the site will be demolished.
Soil type:	Geotechnical Engineering firm Rockridge Geotechnical reviewed existing borings and cone penetration tests (CPTs) performed at the site and vicinity, as well as infiltration test results for sites in SF and with similar soil conditions. The following information is based off of prior tests: The results of prior geotechnical reports at the site and vicinity indicate the site is underlain by 4 to 8 feet of undocumented fill. The undocumented fill consists of loose to medium dense sand with variable amounts of silt and medium stiff to stiff sandy site with variable amounts of debris. The undocumented fill is underlain by native Dune sand that is loose to medium dense to a depth of about 10 to 12 feet below ground surface (bgs). Beneath the loose to medium dense Dune sand is dense to very dense Dune sand with thin, interbedded layers of soil classified as "sandy silt" and "silty sand" that extends to depths of about 65 to 70 feet bgs. The sandy silt is generally stiff and the silty sand is generally medium dense. There is a marsh deposit that varies from about 2 to 5 feet thick between depths of 20 and 26 feet bgs. The marsh deposit consists of medium dense silty sand and stiff sandy silt with organics. The Dune sand is underlain by interbedded layers of dense to very dense sand with variable amounts of silt, and very stiff to hard silt and clay with variable amounts of sand that extend to the maximum depth explored of 100 feet bgs. Groundwater was measured in the three CPTs performed at 234-250 Van Ness Avenue at a depth of 20 feet bgs (Rockridge 2015). Groundwater was measured at a depth of 15.5 feet bgs during drilling in the boring at 200-214 Van Ness Avenue (Rockridge 2016). Groundwater was measured at a depth of 16 feet bgs during drilling in the boring at 101 Polk Street (T&R 2013). Available historic groundwater information of the site and vicinity indicate historic high groundwater to be approximately 18 feet bgs at the site. The depth to groundwater is expected to vary several feet annually, depending on rainfall amounts. A full, updated, geotechnical report for the site will be available in early 2021.
Environmental Review:	Application submitted 11/18/2020. The project will be exempt from CEQA under SB 35.
Adjacent uses (North):	City Hall
Adjacent uses (South):	San Francisco Conservatory of Music Bowes Center
Adjacent uses (East):	250 Van Ness, 2-story office
Adjacent uses (West):	101 Grove - Currently the Department of Public Health's main office.

Neighborhood Amenities within 0.5 miles:	Grocery store (Whole Foods at 8th and Market opening 2021), Heart of the City Farmers Market, restaurants, shops, City Hall, SFPL Main Branch, Civic Center cultural institutions, Tenderloin Community Elementary, Civic Center Secondary School, new play grounds at Civic Center Plaza.
Public Transportation within 0.5 miles:	MUNI (J, K, L, M, N, T, 5, 5R, 6, 7, 9, 9R, 14, 14R, 19, 31, 38, 38R) Civic Center BART
Article 34:	Project is required to adhere to Article 34 requirements and will obtain approval before predevelopment loan executed.
Article 38:	In Article 38 Zone and will work with the Department of Public Health to mitigate.
Accessibility:	Per updated TCAC minimum building standards, 15% will be mobility units; 10% will be accessible for households with hearing and/or visual impairments. All units will be adaptable. Sponsor is working to meet a high-level of universal design standards intended to include additional mobility features within the residential units to ease modification to meet residents specific needs.
Green Building:	GPR with score of 125 or better. Development team will be tracking all sustainability decision making and design elements as a component of the C40 competition.
Recycled Water:	Exempt.
Storm Water Management:	Pursuing modified compliance with SFPUC. Likely accomplishing storm water management through infiltration gallery in interior courtyard with addition of potential bioswale as flow-through planter.

2.1. Environmental Issues.

- Phase I/II Site Assessment Status and Results. A Phase I Environmental report was completed in May 2020. The Phase I did not identify any recognized, controlled, or historical recognized environmental conditions. One of the parcels on the site is located in a Maher Ordinance zone, so, therefore, the entire site will be subject to Maher review.

  The Phase I also identified potential lead and asbestos on site due to the age of the subject properties. In September 2020 an initial lead and asbestos assessment was conducted by Acumen Industrial Hygiene on 240 and 234 Van Ness. This assessment discovered asbestos containing material in the existing buildings and presumed the presence of lead in existing materials. As such, these buildings will require abatement prior to demolition. A lead and asbestos report for 155 Grove still needs to be completed. The developers need to work with the vendor to provide safe access to the site as the building is red-tagged and has unstable floors.

- Potential/Known Hazards. None known as of yet. The developers will do subsurface environmental testing when they enter into a license agreement with the RED for 165 Grove to allow testing on site.

2.2. Green Building.

To fulfill the commitments made within the C40 competition, The Kelsey Civic Center agreed to include the following measures through the ENA signed with RED. Generally, the commitments are to implement innovative

sustainable design that enhances goals of inclusivity, affordability, and accessibility. The Sponsor will be evaluating the cost of each measure and comparing that to minimum requirements for typical affordable housing developed in San Francisco and what is required by current code. Preliminarily these measures are assumed to create minimal additional cost.

The Project Sponsors and design team are tracking all decisions related to the C40 competition, especially as relates to analysis of embodied carbon, for reporting to the Department of Environment. This includes quantifying if the decisions reduce cost, are cost neutral, or increase cost.

Measure	**Notes**
• All-electric zero operational carbon building on-site.	Required by current code.
• Renewable energy and energy storage.	
• Carbon-neutrality, including the use of materials like concrete and wood, structural materials like polished concrete that double as finish materials, and the co-living model.	
• As a means of supporting biodiversity, urban re-vegetation and agriculture—and in place of the existing Please Touch Garden— The Kelsey Civic Center will offer a public garden located within the building's courtyard.	The garden will be rebuilt as a sensory garden and made available to the larger community through the Disability Resource Center. Since the sensory garden is contained within the building's central courtyard, this open space is not itself an additional cost.

- The Project will be carbon neutral to the extent that is financially feasible. Through schematic design process, the team will explore and cost estimate the following measures:
    - Use of renewable energy sources and adding infrastructure for on-site energy storage
    - Use of structural materials that double as finished materials
    - Use advanced monitoring and display tools to support more energy efficient use
    - Minimizing transportation emissions during construction phase, and
    - Use of low-carbon concrete mix for concrete used in the project.
- Project design elements that further the C40 goals, include:
    - Efficient units that minimize resource waste and support low embodied carbon design complemented by ample community spaces

    - No vehicle parking; one bike parking space for every 2 units, and
    - Inclusion Concierge staff to support residents in transit planning.
- The Project will practice urban regeneration and resiliency through the following methods:
    - A courtyard garden and green roof supporting biodiversity and urban re-vegetation where neighbors and the community can connect,
    - Focused ethos and design on interconnectivity and community, fostering a more resilient resident population in the face of natural and human-made disasters, and
    - Thoughtful selection of HVAC systems to combat extreme climate conditions and provide healthy indoor air quality.
- The Sponsor and design team will track all materials for the embodied carbon analysis and report to the Department of Environment at development milestones regarding the C40 goals.

2.3 Land Swap and Existing Structures

To make the site more developable from the original configuration in the C40 competition, the development team has been working with the adjacent landowners, the McBaine family, on a land swap. This land swap adds value for both parties, as both TKCC and the McBaine gain sites that are contiguous. The development team is working with DRE to execute a transfer agreement with the McBaine family. This transfer will be for approximately 2,725 total square feet transferred between RED (from 240 Van Ness/Lot 19) and the McBaine family (from 234 Van Ness/Lot 18). Three buildings on site will be demolished once the parcel swap with the McBain's is completed. The City seeks representations in the transfer documents that the properties will be delivered vacant and there are no rights to commercial relocation.

3. OTHER ENTITLEMENTS ISSUES

3.1. Community Support.

The development team is approaching this process with an understanding that disability itself is an intersectional issue that is deeply intertwined with race and poverty. According to the Centers for Disease Control and Prevention, Black people have higher rates of disability: 1 in 4 black people have a disability vs 1 in 5 white people. The San Francisco Department of Disability and Aging services notes that African Americans are twice as likely to experience disability in San Francisco.

The development team's community outreach plan is deeply informed by these inequities and is further enhanced by the location of the site at Civic Center. The development team is creating a Community Advisory Group representing neighborhood and community leaders with specific representation from Black communities, people of color, and people with disabilities. In November 2020, the development team hosted the first of a series of community meetings and will continue community engagement throughout the development process.

Starting in 2018, The Kelsey has built relationships with over 300 San Francisco-based stakeholders including self advocates, families, disability organizations and service providers. The Kelsey engages these stakeholders through programming such as: the Together We Can Do More initiative which defined their Inclusion Concierge staffing model; Raise the Roof, a housing advocacy program elevating leaders with disabilities to be active in housing policy; and Inclusion Hours, which have brought together 800+ participants of all abilities to celebrate disability culture and inclusion.

4. DEVELOPMENT PLAN

4.1. Site Control.

The partnership will enter into a long-term ground lease with the City. RED is drafting a Transfer Agreement to create a binding agreement between the City and neighboring building owners regarding the transfer of an equal amount of the lot area of the neighbors Lot 18 for the City's Lot 19. Once that agreement is in place (anticipated for January 2021), MOHCD will enter into an Option to Ground lease for the to be formed merged parcel (which will include lots 18, 21, and 16). Please see Exhibit K.

4.1.1. Mapping

The Sponsors have worked with Martin Ron & Associates Surveyors to prepare a plat map that joins the existing Lot 15, 21, and part of 18 via a Record of Survey. A lot line adjustment application has been prepared to move the parcel line between the Lots 18 and 19 to allow for the transfer of the parcel area between 240 Van Ness Ave (city-owned) and 234 Van Ness Ave (privately owned). The application will be submitted in January 2020 and is expected to be approved in approximately 9 months.

4.1.2. Proposed Property Ownership Structure

At close of construction financing, the land will be transferred to MOHCD from RED for a nominal cost of $1, at which time, MOHCD and the LP will enter into a long-term ground lease of 74 years, with an option to extend up to 99 years. The annual ground lease rent payment will be $15,000. As is standard in MOHCD ground lease agreements, the LP will own the improvements. The Kelsey has requested to retain ownership of the improvements after the tax credit compliance period has expired. MOHCD will consider this request with the final gap loan request for approval.

4.2. Proposed Design.

Sponsors are anticipating building a 109-unit affordable housing development with a combination of studio units for smaller households and 30% 2BR units for

larger households. This unit mix is anticipated to facilitate a competitive application for CDLAC funds. This funding request is to allow the Sponsor to continue the predevelopment process, and to apply for state funding. At this time, all numbers on size and scope of the building are preliminary and correspond to the Site Permit application submission set as of 12/21/2020.

Avg Unit SF by type:	Studio: 302 sf 2-brdm avg sf: 737 sf
Residential SF:	51,768 sf
Circulation SF:	Indoor Floor: 831 sf (x6) = 4,095 sf Outdoor Floor: 1,276 sf (x6) = 6,395 sf Indoor Level 8: 819 sf Outdoor Level 8: 959 sf Ground Level Indoor: 1,600 sf Ground Level Outdoor: 718 sf Total Indoor: 7,333 sf Total Outdoor: 9,369 sf
Parking Garage SF:	None
Common Area SF (community commons, wet bar, sensory garden, upper floor community rooms):	Sensory Garden (including circulation): 3,393 (excluding circulation): 2,380 sf Resident Commons: 1,196 sf Upper Floor Commons: 356 sf (x5) Recreation room with warming kitchen: 572 sf Outdoor Roof Deck: 750 sf
Building Total SF:	87,641 sf
Other Public Community room	Community/Cultural Space: 1,394 sf

4.3. Construction Supervisor/Construction Specialist's evaluation of design/scope, including efforts to contain costs, appropriateness of proposed systems, finishes, and amenities.

The Kelsey is located at 240 South Van Ness in the heart of the Civic Center Historic District. The planned development will be located on an L shaped parcel comprised of three (3) smaller lots which will be joined to create a 13,815 square foot parcel bounded by the major artery of Van Ness Avenue, where the entrance is located, the smaller ally of Tom Waddell Place where a majority of the units are facing, and finally bounded by Grove Street where the ground floor

community room is currently planned. The concept design contains an 8-story building of which 5 which the current cost estimate assumes will be constructed of wood (Type III) over 3 stories of concrete (Type I). The Sponsor has been working on a structural system analysis which was provided to MOHCD recently and is currently being evaluated.

The building will provide about 109 units comprised of 77 studios and 32 two-bedroom units, including 2 manager's units. Level 1 will contain bike parking, services offices, a community room, and trash room. Floors 2-7 contain about 11,400 square feet each with residential units totaling approximately 15 per floor. Floor 8 provides 10 units and some roof open space. The concept plan currently has the laundry facilities located on third and sixth floors. Note that the current concept design does not include a great deal of detail on the exterior. However, there seems to be the indication of a wrinkled/rippled façade expression on the Tom Waddell Place side of the building through the use of small, angled bays. This feature will provide architectural interest to the building while also providing natural light to units. This configuration still needs some design work as do the choices on building skin.

The Kelsey conceptual design is also accompanied by a conceptual estimate from Cahill Contractors dated 11/24/2020. Mercy has provided a permanent source and uses for the project utilizing this cost estimate. The total hard costs listed, including the full suite of MOHCD allowable contingencies, is approximately $64,775,759. That amount translates to be $739 per square foot, or $605,000 per unit. The per square foot estimated costs are significantly higher than MOHCD comparable for similar building types. The developer will need to work with the design team and GC to identify a value engineering list and provide additional cost containment strategies with the Schematic Design drawings and cost estimate before advancing to the design development phase.

The team is currently working through project entitlements and held a preapplication meeting in mid-November 2020 with DBI and SFFD and submitted for site permit approval on December 21, 2020. The project is expected to begin construction in June 2022 and will take approximately 18 months to complete.

4.4. <u>Commercial Space.</u>

The Kelsey is seeking community-centered businesses and/or community-centered organizations to develop a concept for and ultimately lease the 1,349 square feet space. The ideal partner would provide programming, products, or mission related to elevating:

- Disability-forward, inclusive services and supports that build connection with the community;
- Sustainable businesses models and green business practices;
- Disability-owned, Black-owned, and/or locally-owned businesses

One potential tenant for the space is the Disability Cultural Center, a project being funded and undertaken by the City of San Francisco's Department of Disability

and Aging Services ("DDAS"). This would align with the needs identified in the 2020-2024 MOHCD Consolidated Plan to provide dedicated community spaces where residents can gather, organize, host forums and meetings and participate in cultural events.

The partnership will master lease of the commercial space to the Kelsey. The Kelsey will initiate an LOI in Q1 2021 with DDAS which will determine the schedule for DDAS to choose a tenant and operator for the Disability Cultural Center.

4.5. Service Space.

There's an office for one staff person near the front entry. The Inclusion staff are not expected to be working in their office a significant amount of their work time.

4.6. Target Population

The Sponsor proposes to provide a range of unit sizes and income levels. Currently the project includes a mix of unit sizes: 77 studios, and 32 2-bedroom units, including 2 manager's units. The units will serve a wide range of incomes including households from 20% to 80% MOHCD AMI.

Unit Matrix

		TCAC AMI	15%	20%	30%	35%	40%	60%	
		MOHCD AMI	20%	30%	40%	50%	60%	80%	
	# of Apts	**Sq Ft. Per Apt**	**AMI**		**AMI**	**AMI**	**AMI**	**AMI**	***Total***
Studio	76	330	23	0	0	0	11	42	*76*
2 BR	31	750	0	4	0	4	23	0	*31*
Manager	2	945							*2*
TOTAL	**109**		**23**	**4**	**0**	**4**	**34**	**42**	***109***
		Disability Set Aside	*23*	*4*	*0*	*0*	*0*	*0*	***25***

25% of the units will be reserved for people with disabilities earning 20% to 30% SF AMI that receive home and community-based services through In-Home Supportive Services (IHSS) or the Golden Gate Regional Center (GGRC). The Kelsey Civic Center is designed to meet accessible, service-linked, community-based housing needs for individuals with disabilities, a population that was identified in the MOHCD 2020-2024 Consolidated Plan as the most vulnerable end of the housing spectrum. Design features to specifically address the need of households with physical and developmental disabilities, include:

- Additional mobility features in the units are based off of architect Erick Mikiten's input on universal design.

- Use of color, change in texture of flooring to indicate unit entries, possibly curved planter areas (curves are easier for wheelchairs to navigate).
- More common space than typical for inclusion and community building events to reduce social isolation and otherness.
- Additional grab bar railings at corridors.
- Biophilic design (greater connection to the outdoors via a central courtyard).
- Specific attention to acoustics lighting temperature/directness to address sensitivities to light and sound.

Further noted in the 2020-2024 Consolidated Plan that persons with disabilities may live alone and need support and opportunities for interaction to prevent isolation. The Kelsey Civic Center through its ethos of interdependence, ample community spaces, and dedicated Inclusion Concierge program, is designed to connect members of the community to be less isolated and live healthier lives.

4.7. Marketing & Occupancy Preferences

Marketing and occupancy outreach for the Project will be conducted in accordance with all applicable fair housing laws. Mercy and The Kelsey will work with neighborhood-based, non-profit organizations to develop relationships and ensure that those groups are reaching out to their constituencies regarding these housing opportunities.

All units will be entered in the San Francisco DAHLIA lottery and subject to preferences as per City Ordinance. Preference will be observed in the following order:

1. Certificate of Preference Holders (COP),
2. Displaced Tenant Housing Preference (Ellis Act/OMI) Certificate Holders,
3. Neighborhood Resident Preference[1],
4. Live or Work in San Francisco, and
5. All Others.

For the units serving people needing in-home services, references will be received by service providers and by the GGRC, and the above preferences will be applied.

In order to increase the number of applications by COP holders, the Sponsors plans to do specific outreach to COP holders and provide rental readiness training similar to that which has been done for OCII sponsored projects. More details to this plan will be provided before the Sponsors Final Gap Request is submitted to

[1] A City ordinance requires 40% of Lottery units to be set-aside for Neighborhood Preference. If funds are leveraged from the State of California Housing and Community Development (HCD), this preference is not allowed. The City and County of San Francisco has been working with HCD to allow for 25% of the units included in the City Lottery to be set-aside for Neighborhood Preference.

MOHCD and finalized in the in MOHCD required Marketing Plan before lease-up starts.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Architect	WRNS/Santos Prescott + Associates	Yes-SF	n/a
Architect, Universal Design	Mikiten Architecture	No	n/a
Structural Engineer	Mar Structural Design	Yes-CA	n/a
Landscape Architect	RHAA Landscape	Yes-CA SBE, Fed DBE	n/a
Mechanical/Plumbing Engineer	Point Energy Innovations/Tommy Siu	Yes-SF	n/a
Electrical Engineer	FW Associates	Yes-SF	n/a
Lighting Designer	LUMA	Yes-SF, MBE/WEB	n/a
Civil Engineer	Sherwood Design Engineers	Yes-CA	n/a
Civic Survey	Martin Ron Associates	No	n/a
Geotechnical Engineer	Rockridge Geotechnical	Yes-CA	n/a
Environmental Consultant	Langan	No	n/a
Greenpoint Rater	Stok	Yes-SF	n/a
General Contractor	Cahill Contractors LLC	No	n/a
Owner's Rep/Construction Manager	Regent Construction Management LLC	Yes-SF	n/a
Financial Consultant	California Housing Partnership Corporation	No	n/a
Legal	Gubb & Barshay		n/a
Property Manager	Mercy Housing Management Group	No	n/a
Services Provider	The Kelsey	No	n/a
Other	TBD		n/a

5.1. Outstanding Procurement Issues.

The Sponsor worked with the Office of Contract Management Division (CMD) to establish an SBE/LBE goal for the building. A goal of 20% was established for professional consultant participation.

Due to the nature of the C40 competition, several consultants were pre-selected outside of the traditional CMD process. These consultants contributed to the C40 competition as integral members of the team. Sponsor followed the RFQ process for those consultants that were not pre-selected per the C40 competition. The Sponsor provided a Procurement Plan to CMD's review prior to conducting an RFQ process in Summer 2020. CMD reviewed the outcome of the RFQ process and the Sponsor achieved an overall LBE participation of 55% of the total contract amount, for all consultants except architect, structural engineer, landscape architect and general contractor.

Note that because the site was not under the jurisdiction of MOHCD at the time of developer selection, a member of the Arts Commission was not on the selection panel in order to satisfy the requirement of the Charter with respect to design review for projects on publicly owned land. The Sponsor must seek a waiver from the requirement from the Arts Commission.

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

6.1. Disbursement Status.

Loan Committee approves payment of costs no earlier January 1, 2020, so long as these costs are deemed acceptable and correspond to predevelopment budget attached herein.

6.2. Proposed Predevelopment Financing

6.2.1. Predevelopment Sources Evaluation Narrative

This is the first predevelopment loan application from the Sponsor. The amount available for predevelopment, $2,000,000, is limited by MOHCD. It is expected that the Sponsor will need additional funds, $2,421,061 to carry the Project through to construction start. The Sponsor will look for sources outside MOHCD, including using lines of credit or other third-party sources, and has included anticipated financing fees in the predevelopment budget. In all cases, the Sponsor will present request for additional financing to MOHCD for final approval before securing additional predevelopment source(s).

6.2.2. Predevelopment Uses Evaluation:

Predevelopment Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Acquisition Cost is based on appraisal	Y	Acquisition Cost is $9,846.
Architecture and Engineering Fees are within standards	Y	Predevelopment costs are in line with MOHCD requirements.
Construction Management (CM) Fees are within standards	Y	CM costs of $53,800 are within the MOHCD underwriting standards for work Oct 1, 2020 through July 2022.
Developer Fee is within standards	Y	
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10.5%
Financing Costs are reasonable	Y	Assumes $5,000 fees and $35,000 interest.

Predevelopment Costs include:

- Items related to the land transfer. This includes civil survey, site cleanup, lot line adjustment and record of survey application, an appraisal (as ordered by RED), and any transfer taxes arising from the transfer (as negotiated as a deal point by the McBaine family to enable transfer).
- Demolition of the three existing buildings on the site. The McBaine family will pay for demolition of 234 Van Ness.
- Architectural and engineering, environmental due diligence, construction management, and costs associated with finance applications (financial consultant fees, application fees, market study), to bring the project to shovel ready/permitted status.
- Third-party financing costs, including predevelopment application fees and loan interest, totaling $40,000.
- Developer fee in the amount of $550,000.

6.3. Proposed Permanent Financing

6.3.1. Permanent Sources Evaluation Narrative:

This loan request is for predevelopment work as well as to demonstrate the City's commitment for permanent financing to support an application for HCD AHSC and IIG funds. The permanent financing narrative is presented to demonstrate the Project's overall feasibility. Sponsor will return to Loan Committee for gap financing for final approval of permanent sources.

MOHCD – MOHCD's contribution is limited to $13,000,000, or $119,266.05 per unit. This is approximately 50% less than typical, due to the fundraising commitment of $10,000,000 from The Kelsey.

Affordable Housing and Sustainable Communities Grant (AHSC) – This request for preliminary gap is requested for the Sponsor's and City's joint application to HCD for $20M in AHSC funds. The applications are expected to be due in the Spring of 2021. Identified transit uses to be supported by the application include the SFMTA Muni F-Line and bike lane improvements in SOMA. If an AHSC award is not made this year, the development team is planning on re-applying in 2022, which is anticipated to have a larger pool of funds available.

Infill Infrastructure Grant (IIG) – $4 million is to be used for infill preparation costs. This includes expenses related to site clearance, grading, preparation, and demolition; sidewalk or streetscape improvements (including, but not limited to, the reconstruction or resurfacing of sidewalks and streets or the installation of lighting, signage, or other related amenities, including shade structures, seating,

landscaping, streetscaping, and public safety improvements); stormwater detention basins, culverts, and similar drainage features, environmental remediation (if necessary); and other eligible costs as enumerated by HCD.

Kelsey Sponsor Loan – The up to $10 million sponsor loan (listed as $8,477,051 in the preliminary permanent budget) will be funded by a portion of a $15 million capital campaign underway by the Kelsey. As of December 2020, 20% of the funds have been committed. In addition to the $10 million sponsor loan for TKCC, the capital campaign will support The Kelsey Ayer Station development in San Jose ($2.5 million) and the General Fund ($2.5 million). By the anticipated application for TCAC/CDLAC funds in early 2022, The Kelsey anticipates having 100% of funds pledged. Donor prospects include housing advocates, individuals who are inclusion inspired, scale driven innovators, environmental stewards, and Bay Area champions. The fundraising plan is supported by The Kelsey staff, and the consulting firm of Draper Richards Kaplan Foundation. A part time fundraising director will be hired by end of Q1 2021. This loan is assumed to be loaned at 0% -1% for 55 years.

CDLAC – Due to the very recently finalized scoring changes at CDLAC, the Sponsor will need to provide to MOHCD an analysis on competitiveness to the program as well as an estimated application round/date.

TCAC – The anticipated equity amount of $32,733,699 assumes $0.95 per credit. This estimate has not yet been adjusted to account for the fixed 4% credit rate included in the December 2020 federal stimulus bill. Sponsor will review the effect of the 4% floor on tax credit pricing prior to submitting funding applications to HCD. It's generally expected that the net effect of the fixed credit rate will be used to lower targeting for units now set at 80% MOHCD AMI rents, including the possibility of creating a sinking reserve.

Affordable Housing Program (AHP) – Due to scoring programmatic changes and since this Project does not have homeless households/Coordinated Entry referrals, the Project may not be competitive for this source of funds. Before Gap financing request, the Sponsor will complete an analysis on competitiveness to this program for MOHCD approval. If not awarded, there would be a gap of approximately $1,050,000 in the budget.

GP Equity– $8,921,903 GP Equity is anticipated, subject to approval by MOHCD at final gap loan request.

Accrued Deferred Interest - $86,464.

6.3.2. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit are within standards	Y	$594,273/unit is within range. Cost psf of $739 from contractor estimate 11/2020 is high.
Construction Hard Cost Contingency is at least 5% (new construction)	Y	Hard Cost Contingency is 10%
Architecture and Engineering Fees are within standards	Y	Total Fees are within MOHCD guidelines
Construction Management Fees are within standards	Y	Total fees are within MOHCD guidelines
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is $11,211,903 PM Fee: $1,100,000 At-Risk Fee: $1,190,000. Note: Total Fee is limited by HCD to an estimated $2,068,883.
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 10%.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 6 months

6.3.3. Developer Fee:

Sponsor is requesting $11,039,318 in residential developer fee and no commercial developer fee.

Fee	Fee %	Amount
Project Management Cash Fee	10%	$1,100,000
At Risk Cash Fee	7%	$1,190,000
GP Equity	81%	$8,921,903
Total	**100%**	**$11,211,903**

Developer Fee Disbursement Schedule		
Payment Milestone	**% of Project Mgmt. Fee**	**Amount**
Project Management (PM) Fee at Acquisition	15%	$165,000
PM Fee: Close of Predevelopment Financing	10%	$110,000
PM Fee: Submission of HCD Funding Applications and SB 35 approval	3%	$143,000
PM Fee: Submission of CDLAC and TCAC Funding Applications	10%	$110,000
PM Fee: Construction Loan Closing	20%	$242,000
PM Fee: During Construction	20%	$220,000
PM Fee: At Project Close Out	10%	$110,000
PM Fee Subtotal		**1,100,000**
At Risk: 95% Lease-Up	20%	$238,000
At Risk: Perm Loan Closing/Conversion (Final Cost Cert)	50%	$595,000
At Risk: Project Close-Out	30%	$357,000
PM Fee Subtotal		**$1,190,000**
GP Equity		**$8,921,903**
Total Developer Fee		**$11,211,903**

6.4. <u>This Request/Phasing Narrative</u>

The sponsor requests $2 million for predevelopment, with the remainder of predevelopment costs to be supported by a combination of Sponsor sources. The Kelsey loan lent during predevelopment will be up to $1,000,000 as an interest free cash advance to the project until the Dignity Health Loan and MOHCD funds become available. The Kelsey will not charge a loan fee. The Dignity Health Loan will be up to $1MM at 3.5% interest and no fees, with accrued interest paid off quarterly. The Mercy predevelopment loan will be at the floating interest rate of the Line of Credit, anticipated to be around 5%. There is a small administrative fee for use of the Line of Credit.

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

7.1. Annual Operating Budget

This funding request is for predevelopment and HCD application financing approvals. The operating budget being presented here to demonstrate the Project's overall feasibility but is not intended to be presented for loan committee approval at this time. The Sponsor will return at gap financing for approval of the operating budget.

The development team has included a new Mercy position that was approved for 3001 24th Street (Casa de la Mision), a Housing Support Specialist at .2 FTE, that will work with management and services on housing retention. Given that the disability units are not set aside for formerly homeless households, and that there will be onsite services provided by the Kelsey, MOHCD staff is not convinced that this Housing Support Specialist is a justifiable operating/property management cost.

Site security is to be provided as-needed and with building cameras. During working hours, the staff with offices near the lobby, including the Inclusion Concierges and property management staff, will be expected to manage lobby security.

7.2. Income

Unit Type	Proposed Number of Units	Max. % MOHCD AMI	Estimated Net of Utilities Rent
Studio	23	20%	$376
2 BR	2	20%	$445
2BR	2	30%	$734
Studio	11	60%	$1,272
2BR	23	60%	$1,599
Studio	42	80%	$1,720
Manager	2	Unrestricted	
Total Units	**109**		
Income Average		**40% SF AMI**	

The TKCC will continue to explore the availability of any potential operating subsidies, such as the 811 program managed through CalHFA. Currently, any 811 program vouchers are not available for new construction sites until the projects are already in construction, based on current placed in service requirements from HUD.

7.3. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15	N	DSC is 1.99:1 at year 15, though decreases quickly.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	Y	DSC goes to 1.03:1 in year 20.
Vacancy meets TCAC Standards	Y	Vacancy is 5%.
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5%.
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%.
Base year operating expenses per unit are reasonable per comparable	Y	Total Operating Expenses are $12,248 per unit.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is $83,460 or $64 PUPM.
Property Management staffing level is reasonable per comparable	Y	Please see note about Housing Support Specialist.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is $25,130/yr. Annual PM Fee is $25,130/yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are $500 per unit per year.
Limited Partnership Asset Management Fee meets standards	Y	$7,500.

8. SUPPORT SERVICES

8.1. Services Plan.

SERVICES FOR PEOPLE WITH DISABILITIES

As a community-based, independent living environment for people with disabilities, and to provide residents with intellectual and developmental disabilities the most amount of agency as possible, The Kelsey provides service-ready housing. This means services are flexible, voluntary and individualized in order to assist an individual or family retain their housing, improve their health-status, and maximize their ability to live, and, when possible, work in the community. Additionally, The Kelsey will focus on inclusion and community connection in the building's service plan and operations to ensure residents build

community relationships, have access to natural supports, and are not isolated or segregated.

Residents who utilize home and community based services will access services across two areas:

1. In Home Supports by Golden Gate Regional Center (GGRC), GGRC Providers, and In-Home Supportive Services (IHSS) providers:
   - This includes daily care, financial assistance, food preparation, schedule management
   - For residents with intellectual and developmental disabilities, funding for these supports are provided to each regional center client on an individualized basis and is committed by the State of California through the Lanterman Developmental Disabilities Services Act
   - For other residents with disabilities, funding for these supports are provided by the State Department of Social Services. The statewide IHSS program comprises four different programs. The different programs have slightly different eligibility criteria and funding sources. The four programs are:
     - Community First Choice Option,
     - Personal Care Services Program,
     - IHSS Plus Option, and
     - IHSS-Residual Program.

     The Community First Choice Option, the Personal Care Services Program, and the IHSS Plus Option are federally-funded Medicaid programs. The IHSS-Residual Program is not a Medicaid funded program and only receives state and county funds.
2. Housing Access Services provided by The Kelsey:
   - This includes Inclusion Concierge, Circles of Support Coordination, referrals and response for service gaps, and community programming
   - Funding for 1.0 FTE Inclusion Concierge is included in the operating budget to serve all 109 households. An additional .1 FTE will be available through a future services contract with GGRC to The Kelsey when supporting residents with intellectual and developmental services. If the contract from GGRC is not awarded the Inclusion staff and Housing Access services for residents will be reduced.

SERVICES FOR GENERAL POPULATION

Inclusion Concierge staff within the building team will receive specialized training, professional development, and support from The Kelsey in disability justice, resident services, inclusive programming, and community development. They support residents to connect with each other, engage with their neighborhood, and access needed supports and services. The dedicated

Inclusion Concierge lives within the community and is there to support with each phase of the resident journey to increase housing success. The Inclusion Concierge takes a three pronged approach to inclusion:

- Creates a culture of interconnectivity for the entire community: Through fully accessible, thoughtfully planned Inclusion Hours, the Inclusion Concierge engages each resident to experience the value and joy of being with community; Inclusion Concierge also sets a culture from the start as a healthy, interdependence space.
- Coordinates a resident-centered experience: Partnering with property management and maintenance staff the Inclusion Concierge facilitates a team-based approach to coordinate support for each resident from fostering inclusion, promoting connections, and anticipating crises before they occur.
- Delivers services infrastructure: Through building trust, circles of support, and community supports, the Inclusion Concierge supports the building's high quality, effective services for residents that leads to reduction of interrupted services and avoidable issues.
- Inclusion Concierge staff are trained in specialized case management with a focus on person centered services and self-determination as well as receive in-depth training on the community philosophy and programming. They will also support lease up activities in order to create early relationships with residents. Being located in a high-traffic area, the Inclusion Concierge would also serve as a desk clerk from morning to mid-evening to greet and ensure a level of safety for residents.

To further the environmental sustainability goals at The Kelsey Civic Center, the Inclusion Concierge will also be trained in, provide materials and programming around, and evangelize sustainable living practices like transit planning, energy, water and food waste reduction.

The Inclusion Concierge also supports low-income residents without disabilities on social service coordination. The MOHCD 2020-2024 consolidated plan noted that "participants frequently shared that the act of navigating complicated [benefits assistance] bureaucracies left them feeling hopeless, and restricted their ability to engage in activities or programming to achieve a greater level of self-sufficiency".

Rationale of Inclusion Staff Allocation based HCD and MOHCD underwriting guidelines:

Role	**Full Time Equivalent**
Service Coordination for Low Income Individuals Living with a Disability	1 FTE (1:25 ratio based on HCD MHP guidelines)
Resident Services for non-disabled units	.8 FTE (1:100 ratio based on MOHCD standard)

Community development, resident programming, and supporting interconnectivity/Circles of Support (in lieu of desk clerks)	.2 FTE

8.2. Service Budget.

Sponsors anticipate 1 FTE services staff (Inclusion Concierge) coming from operating, budgeted at $129,850. Below is a budget breakdown showing staffing and supplies from operating only.

Personnel/Program Cost	Value
Senior Program	0
Family Program	
Special Needs Program	70,000
Total Program Fee	$70,000
RSC FTE	
Activities Coordinator	
Total	
Fringe @ 32%	22,400
Total Personnel	$22,400
Supplies	37,450
Total Contract Cost	$129,850

Funding for an additional FTE is anticipated to be awarded to The Kelsey through a contract or provided through fundraising by The Kelsey.

9. THRESHOLD ELIGIBILITY REQUIREMENTS

See below for the explanation of the selection process for the site through the Reinventing Cities C40 competition.

10. RANKING CRITERIA

The Kelsey first engaged in a request for proposals for the site at 155 Grove, 165 Grove, and 240 Van Ness, San Francisco in 2017 through the Reinventing Cities competition organized by C40. The City of San Francisco offered the underutilized site to the competition which was open for both affordable and market rate housing developments. The goal of the competition was to serve as a model for cities around the world, demonstrating how the alliance between cities and business can shape the future delivering healthier, greener and economically viable urban development.

There were two phases of the C40 competition. The original ten development teams were narrowed down to four finalists by round two. At the end of 2019, the city announced

The Kelsey Civic Center as the best all-around applicant by meeting the goals listed below*.

C40 Goals:

1. Energy Efficient Site and Supply of Clean Energy
2. Sustainable Materials Management, Circular Economy and Waste
3. Low Carbon Mobility
4. Resilience and adaptation
5. New green services for the site and neighborhood
6. Clean growth and smart cities
7. Sustainable water management
8. Biodiversity, urban re-vegetation and agriculture
9. Inclusive actions and community benefits
10. Innovative architecture and urban design

*No overall rankings were available to provide additional scoring details on the teams in the competition.

11. STAFF RECOMMENDATIONS

11.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan - Predevelopment	
Loan Amount:	$2,000,000
Loan Term:	3 years
Loan Maturity Date:	2023
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	January 1, 2020

Financial Description of Proposed Loan – Gap[(Preliminary)	
Loan Amount:	$13,000,000
Loan Term:	55 years
Loan Maturity Date:	2080
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	0-3%
Date Loan Committee approves prior expenses can be paid:	January 1, 2020

11.2. Recommended disbursement conditions for predevelopment loan

1. Sponsor to post Prop I sign on site to meet requirements

2. Sponsor to provide Limited Partnership incorporation documentation

11.3. Recommended conditions prior to financing gap

1. Sponsor will present request for additional predevelopment financing to MOHCD for final approval before securing additional predevelopment source(s).
2. Sponsor to seek a waiver from the Arts Commission regarding design review.
3. Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed, outcomes achieved related to racial equity goals, and commercial-use programming (this may be included in the standard MOHCD monthly report form).
4. Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.
5. Sponsor to work with MOHCD staff to revise project cash flow so that it meets MOHCD's underwriting requirement of a Debt Service Coverage Ratio between 1.10:1 and 1.15: 1 at year 15.
6. Sponsor to provide MOHCD with a services plan and proposed staffing levels that meet MOHCD underwriting standards prior to gap loan approval. This must include review of the proposed .2FTE Housing Support Specialist position with Mercy property management. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to request for gap loan approval.
7. Sponsor to work with MOHCD staff to revise unit mix so that the project will include a higher number of units serving households at or below 50% MOHCD AMI.
8. Sponsor to provide market study on feasibility of leasing the 80% AMI units.
9. Sponsor will provide signed LOI from commercial tenants prior to MOHCD's gap loan closing.
10. Sponsor to work with MOHCD staff and project's General Contractor to Value Engineer construction budget with the goal of reducing construction costs to $600 PSF inclusive of contractor contingency, bid contingency and escalation to start of construction.
11. Sponsor will provide MOHCD with information outlining development cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loan.
12. Sponsor will provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for gap loan.
13. Sponsor will provide for MOHCD review any Request for Proposals (RFPs) for equity investors before it is finalized and released for investors.
14. Sponsor will provide for MOHCD review all raw financial data from developer or financial consultant prior to selection.
15. Sponsor will provide for MOHCD review and approval all selected investors.
16. Sponsor will provide for MOHCD review and approval all Letters of Intent from financial partners.

17. Sponsor will provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps MHC and The Kelsey will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

12. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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 of Programs
Department of Homelessness and Supportive Services

[ ] 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

Attachments:

A. Project Milestones/Schedule
B. Borrower Org Chart
C. Developer Resumes
D. Asset Management Analysis of Sponsor
E. Site Map with amenities
F. Comparison of City Investment in Other Housing Developments
G. Sources and Uses
H. Development Budget
I. 1st Year Operating Budget
J. 20-year Operating Pro Forma
K. Land Exchange

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Wednesday, January 27, 2021 8:26 PM
To: Chavez, Rosanna (MYR)
Subject: Kelsey Civic Center Predevelopment

I approve

Eric D. Shaw
Director

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: Wednesday, January 27, 2021 9:17 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: PREDEVELOPMENT AND PRELIMINARY GAP FINANCING FOR THE KELSEY CIVIC CENTER AT 240 VAN NESS

I approve the Mercy Housing California and The Kelsey request for $2 million in predevelopment funds to develop The Kelsey Civic Center at 240 Van and the request for an additionally request for a preliminary gap commitment of $13 million to support applications for State of CA financing.

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, January 22, 2021 1:54 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Blitzer, Mara (MYR)
Subject: The Kelsey Civic Center Predev & Prelim Gap Loan - 1.22.21 Loan Committee

I approve the predevelopment and prelim gap loan for The Kelsey Civic Center Project, as presented at the 1.22.21 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, January 22, 2021 1:54 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: The Kelsey

Approve

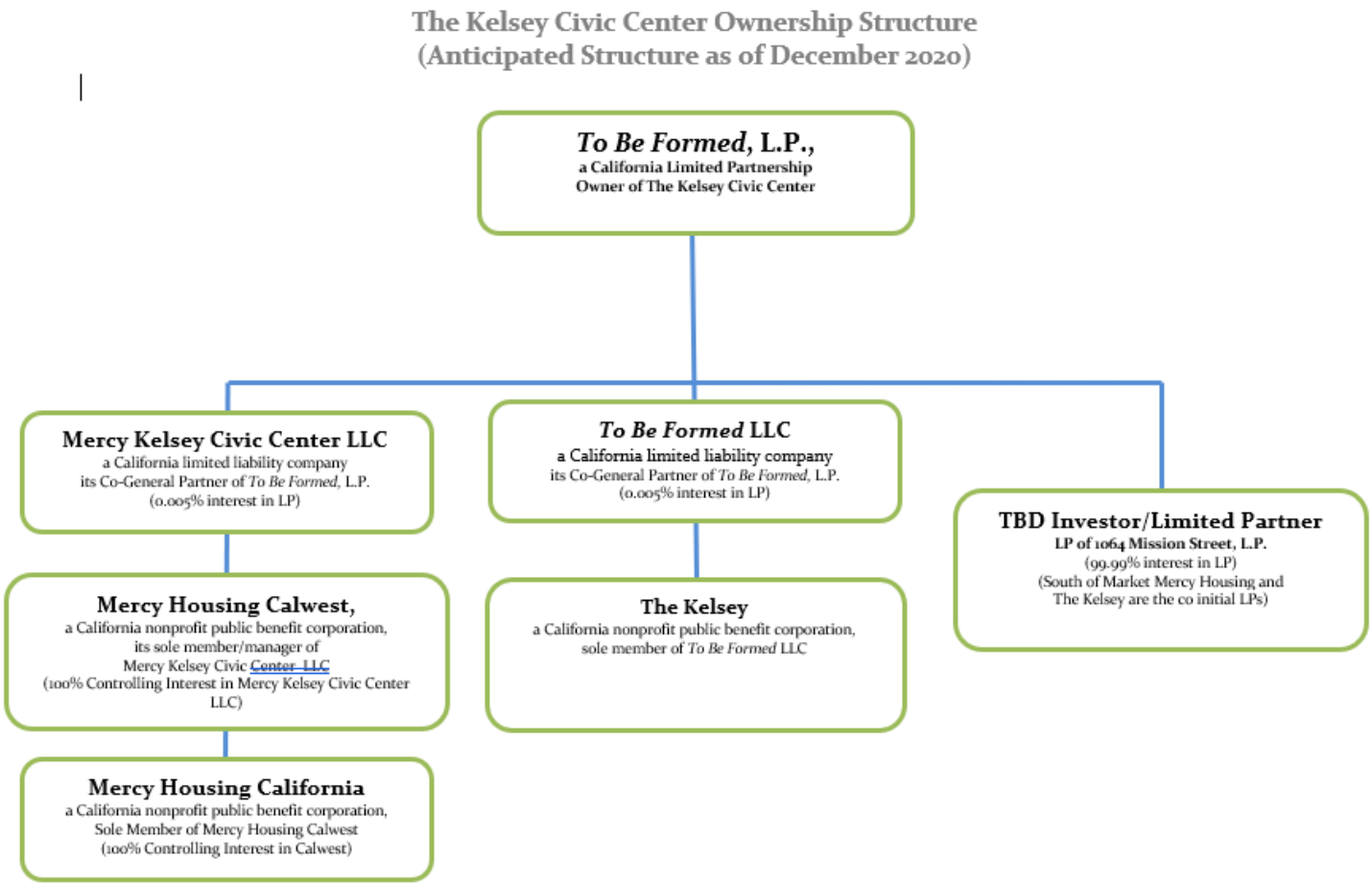
Bridget Katz
Development Finance Specialist, Office of Public Finance
Controller's Office | City & County of San Francisco
Office Phone: (415) 554-6240
Cell Phone: (858) 442-7059
E-mail: bridget.katz@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	2/15/2021	
1	Acquisition/Predev Financing Commitment	1/15/2021	
2.	Site Acquisition		
a.	Transfer Agreement Signed	2/15/2021	
b.	MOHCD round Lease Executed	4/15/2022	
3.	Development Team Selection		
a.	Architect	Complete	
b.	General Contractor	Complete	
c.	Owner's Representative	Complete	
d.	Property Manager	Complete	
e.	Service Provider	Complete	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	2/17/2021	
b.	Submittal of Design Development & Cost Estimate	8/4/2021	
c.	Submittal of 50% CD Set & Cost Estimate	11/29/2021	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	1/15/2022	
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review/SB35 Submission	12/21/2020	
b.	NEPA Environ Review Submission	N/A	
c.	CUP/PUD/Variances Submission	N/A	
6.	Permits		
a.	Building / Site Permit Application Submitted	12/21/2020	
b.	Addendum #1 Submitted	1/8/2022	
c.	Addendum #2 Submitted	1/8/2022	
7.	Request for Bids Issued	1/8/2022	
8.	Service Plan Submission		
a.	Preliminary	1/15/2021	
b.	Interim	7/1/2022	
c.	Update	8/15/2022	

9.	Additional City Financing		
a.	Predevelopment Financing Application #2		
b.	Gap Financing Application	1/1/2022	
10.	Other Financing		
a.	AHSC Application	4/15/2021	
b.	Construction Financing RFP	12/23/2021	
c.	AHP Application	3/30/21	
d.	CDLAC Application	1/28/2022	
e.	TCAC Application	1/28/2022	
f.	HUD 202 or 811 Application	N/A	
g.	Other Financing Application (IIG)	4/15/2021	
11.	Closing		
a.	Construction Closing	7/1/2022	
b.	Permanent Financing Closing	7/31/2024	
12.	Construction		
a.	Notice to Proceed	7/18/2022	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	12/1/2023	
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	8/15/2022	
b.	Commence Marketing	7/30/2023	
c.	95% Occupancy	7/28/2024	
14.	Cost Certification/8609	9/2/2025	
15.	Close Out MOH/OCII Loan(s)	12/30/2025	

Attachment B: Borrower Org Chart



Attachment C: Developer Resume

The Kelsey is a California nonprofit organization committed to accelerating and advocating for housing that is inclusive for people with and without disabilities. Since its formation in 2018, they have worked to unlock new capital for disability and affordable housing; leverage best in class local public, private, and nonprofit partners; create housing models that are sustainable and replicable; and advance strategies, policies, and design in our field to make more housing possible for more people. They have 200+ units under development in San Jose and San Francisco and will breaking ground on their first project in 2021.

The Kelsey is a pre-approved vendor service provider with the Golden Gate Regional Center to provide Housing Services for people with intellectual and developmental disabilities. They have been a resident service provider since 2020 for below market rate units within Atlast in Oakland, California.

Mercy Housing California ("Mercy") Mercy Housing California (MHC) will be the co-Developer, acting as Sponsor and Managing General Partner of the eventual ownership partnership. MHC has developed over 50 properties in San Francisco over the past 35 years. Many of these properties were the result of strong affordable housing expertise, commitment and perseverance to combine unique financing sources to create innovative housing models. Additionally, MHC has a long track record in developing, leasing, and managing commercial space, with a current portfolio of approximately 117,000 sq ft of community- serving retail or service spaces in San Francisco.

MHC's success at obtaining competitive funding is evidenced by over 50 HCD loans or commitments and its strong track record in obtaining competitive 9% tax credits, AHP, and HUD 202/811. MHC accesses very competitive tax credit pricing terms due to our extensive experience and relationships with limited partners. The size and success of our portfolio assures investors that MHC has the expertise needed to ensure that their credits will not be jeopardized. MHC has a breadth of experience across California, with multiple tax credit deals a year, and is backed by the national strength of Mercy Housing, Inc.

MHC has decades of experience developing for low-income families and households with special needs, including formerly homeless households. In San Francisco, MHC has developed 18 properties (1,493 units) for families and 11 properties (748 units) for formerly homeless households. Total in California, MHC has developed 74 properties (4,857 units) for families and 22 properties (1,414 units) for formerly homeless households. MHC has experience working with LOSP, Shelter + Care, VASH, and Project-Based Section 8 subsidies, among others, and wide range of funding sources including HCD (MHP, NPLH, AHSC, IIG), HUD, AHP, and state and federal low-income housing tax credits.

MHC maintains development offices in San Francisco (headquarters), Sacramento, and Los Angeles. The San Francisco office presently has over 2,622 units in development,

from feasibility to project closeout, with a development staff of 22 people. This project would be led by Fiona Ruddy, Project Developer, with supervision by Sharon Christen, Associate Director of Supportive Housing Development and Barbara Gualco, Director of Development, and support from Simonne Moreno, Assistant Project Manager.

DOUGLAS SHOEMAKER

President

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
President, July 2011-Present
Responsible for leading MHC's operations in California including the oversight of affordable housing development, fund raising and resident services. Serves as lead in community and government relations. Works with the Board of Directors and other regional staff to achieve regional and system goals.

Mayor's Office of Housing, San Francisco, California
Director, 2008 to 2011
Led various key mayoral initiatives, including the launch of HOPE SF, San Francisco's groundbreaking effort to revitalize five distressed public housing sites into mixed income communities. Responsible for a wide-range of interagency housing policy work, including the city's Citywide Loan Committee which coordinates funding from four city agencies for affordable housing and supportive housing development. Directed the development of housing plans for the Candlestick Point/Hunters Point Shipyard Plan, Treasure Island, and the Eastern Neighborhoods Plan.

Deputy Director, 2006 to 2008
Managed the strengthening of the City's inclusionary housing ordinance and program management. San Francisco's inclusionary ordinance is now among the most successful inclusionary programs in the country.

Non-Profit Housing Association of Northern California, San Francisco, California
Deputy Director, 2001 to 2006
Directed NPH's policy and advocacy work with housing finance agencies as well as the State Legislature. Served as the Northern California campaign coordinator for Proposition 46, a successful $2.1 billion affordable housing bond passed by voters in 2002. Supervised regional advocacy work on inclusionary housing.

Mission Housing Development Corporation, San Francisco, California
Project Manager, 1995 to 2000
Developed the first affordable housing community in the Mission Bay neighborhood of San Francisco and helped to develop numerous supportive housing developments in the Mission District and South of Market. Managed the re-design of the 16th Street BART plaza in the Mission District.

DOUGLAS SHOEMAKER

President

EDUCATION

Duke University
Bachelor of Arts, Comparative Area Studies, 1992

University of California at Berkeley
Masters of Arts in Latin American History, 1993 – 1995

CURRENT PROFESSIONAL AFFILIATIONS & COMMUNITY INVOLVEMENT

Board of Directors for California Housing Consortium
Northern California Leadership Council for Enterprise Community Partners
Board of Directors for SPUR
Affordable Housing Advisory Council Member of the Federal Home Loan Bank of San Francisco

EDWARD HOLDER

Vice President, Real Estate Development

PROFESSIONAL EXPERIENCE

Mercy Housing California

Vice President, Real Estate Development, 2011-Present

Vice President, Business Development, 2007-2011

Joined Mercy Housing California (MHC) in 2007 as Vice President of Business Development. In this role, responsible for the identification of new development opportunities and strategic partnerships in MHC's Southern California, Bay Area, and Sacramento markets. Recently assumed responsibility for Mercy Housing California's real estate department, which includes a development portfolio of over 4700 units.

The Olson Company

Vice President of Development, 2005-2007

Led Olson's East Los Angeles County regional team; Manage development pipeline of 1100 units with a build out value of $500 million; Develop and implement strategies for land acquisition, land disposition, entitlement, environmental cleanup, and design. Build out pipeline has grown by $390 million in last 15 months; Achieved significant expansion and recognition within the 710/605 corridor cities; Emphasis on community outreach, engagement, and involvement through local volunteer programs and events. Currently managing four major developments in the cities of Compton (136 townhomes), Santa Fe Springs (346 townhomes), Whittier (280 townhomes), and El Monte (237 townhomes). Region is exceptionally focused on creating strong city relationships, with city partnership projects in the cities of Compton, Irwindale, Whittier, Santa Fe Springs, Montebello, Cerritos, and El Monte.

Director of Development, 2002-2005

In three years, entitled over 740 homes with buildout value of $350 million in the cities of Carson, Simi Valley, Santa Fe Springs, Irwindale, Compton, and Fullerton. Led entitlements for Fullerton's SoCo Walk, a 120 unit Transit Oriented Development which has received considerable press coverage; Led team that created innovative design and functionality within community. Negotiated Disposition and Development Agreements in the cities of Compton and Irwindale. Led disposition of $6 million property in Simi Valley, CA. Created Olson's initial pro forma and project management scheduling templates.

J.P. Morgan Securities, Inc.

Associate, Public Finance Investment Banking, 1998- 2000

Raised capital, negotiated with rating agencies and bond insurers, developed financing recommendations, prepared analysis, reviewed legal documents, and formulated investment strategies for public and nonprofit sector clients; Clients included the State of California, Tri-County Metropolitan Transportation Dt. (OR), City of Mission Viejo RDA, and COPIA (Napa Valley).

Analyst, Public Finance Investment Banking 1995-1998

Provided analytical and documentation support to senior bankers; given considerable project management responsibility, including the primary leadership role on a $30 million financing for the California DWR.

EDUCATIONAL BACKGROUND

Stanford University Graduate School of Business

Masters, Business Administration, 2002

Occidental College

Bachelor of Arts, Economics, 1995

JENNIFER SMITH DOLIN

Vice President of Regional Operations

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
Vice President of Regional Operations, January 2014
Responsible for the coordination of MHC activities. Serves as lead in community and government relations, housing development, administration, staff development, and budget oversight; represents the various Mercy Housing entities that own properties and ensures that the work of MHC is effectively coordinated with Resident Services, Asset Management, and Mercy Housing Management Corporation.
In conjunction with the Regional President, works with Boards of Directors and other regional staff to achieve regional and system goals.

Mercy Housing California, San Francisco, California
Housing Developer, June 2005 to January 2014
Project Assistant February 2001- June 2005
Perform all phases of development of affordable housing associated with the acquisition, new construction and rehabilitation of quality affordable housing and commercial units throughout California. Responsibilities include: review sites for potential housing development; perform preliminary land use analysis to determine site development potential; secure local approvals and neighborhood acceptance; prepare financial analysis and secure funding; oversee construction; oversee transition of project to operations; close out project with investors and lenders, including 8609 and final investor pay-in.

New Construction - Family:	1180 FOURTH STREET, PHELAN LOOP, CARTER TERRACE, NUEVA VISTA, and 10th and MISSION
Rehab - Special Needs:	MADONNA RESIDENCE, ARLINGTON HOTEL, DUDLEY APTS, GARDEN PARK, and MARLTON MANOR
New Construction - Senior:	JOHN KING and KENT GARDENS
Rehab - Senior:	LELAND POLK

Common Ground Community, New York, NY
Economic Development
Responsible for the operation of the Ben & Jerry's Partner shop in Times Square including management development, marketing, quarterly financial budget planning and profit & loss assessment. Manage the development and operation of a full service catering facility. Implement Top of the Times and Ben & Jerry's training program for 60 residents of supportive housing programs in New York City over a two-year period.

EDUCATIONAL BACKGROUND

Santa Clara University, Santa Clara, CA
Bachelor of Arts, Major in Business and minor in Theater Arts, 1990

PROFESSIONAL AFFILIATIONS & COMMUNITY INVOLVEMENT

Jesuit Volunteer Corp: East, New York City - Class of 1991
Chamber of Commerce, Leadership San Francisco Program – Class of 2003
Board Member, A Better Way, Foster Care and Adoptive Parent Agency - Present

BARBARA GUALCO

Director, Real Estate

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
Associate Regional Director, Housing Development, September 2003 to Present
Direct the multi-family housing and commercial development work in the San Francisco office of a national leader in the acquisition and production of quality affordable multi-family housing developments. Currently overseeing 15 developments, with a budget of $380 Million. Responsibilities include developing an acquisitions strategy, negotiating site control; conducting market and demographic analysis, feasibility assessments, preliminary land use analysis, asset repositioning and work-outs; obtaining neighborhood acceptance and land use approvals; managing the bidding and design process; assembling public equity and private debt financing for complex tax credit and bond financing packages. Responsible for the selection and management of retained development team professionals from financing, legal, design, construction and management disciplines. Manage and assist a staff of 7 development professionals.

Mercy Housing California, San Francisco, California
Senior Project Manager, November 1987 to August 2003
Perform site analysis and prepare proformas to determine feasibility of new development opportunities. Identify and structure development and operating financing; obtain commitments; close financing including various public sector subsidy sources and conventional financing. Obtain land use entitlements; coordinate community acceptance plans; represent agency in public forums. Identify, select, contract and coordinate team of development professionals including architects, engineers, attorneys, financial consultants, property management, etc. Oversee construction progress including processing construction change orders and payment applications. Develop and administer development budgets and schedules; provide reporting to multiple funding sources. Provided direct project management for nine distinct housing developments comprised of approximately 500 units. These developments included new construction, renovation and adaptive re-use with a wide range of financing including the HUD 202 Capital Advance Program, Low Income Housing Tax Credits both 9% and 4%, McKinney Programs and Shelter + Care.

EDUCATION

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

PROFESSIONAL AFFILIATIONS & COMMUNITY INVOLMENT

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

RAMIE K. DARE

Director, Real Estate

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
Senior Housing Developer*, *May 1997 to Present
Developer of affordable rental housing for families, seniors, and people with special needs utilizing 4% and 9% tax credits, tax exempt bonds, conventional financing and rental subsidies. Experienced in all aspects of development, including feasibility study, contract negotiation, project management, financing and community acceptance planning. Developments include Bermuda Garden Apartments (80 unit rehab), Eden House Apartments (116 unit rehab) Marlton Manor (150 unit special needs, rehab), Tolton Court and Montclair Court (26 units urban infill), La Costa Paloma Apartments (180 units inclusionary housing), Carter Terrace (106 family units), 10th and Mission Family Housing (136 high rise family units, mixed use), and 9th and Jessie Senior Housing (107 high rise senior units, HUD 202 mixed finance) and Sunnydale HOPE SF (50 acre master planned mixed income community).

CREDO Housing, Inc, Oakland, California
Housing Developer*, *September 1993 – April 1997
Developer of affordable rental housing in Oakland, Berkeley and unincorporated Alameda County totaling $19 million and 273 units. Experience in developing projects financed by low income housing tax credits, tax exempt bond, cities of Oakland and Berkeley, Alameda County, HUD and institutional lenders.

EDUCATION

University of California Los Angeles
Bachelor of Arts, Urban Studies major, 1991

Harvard University, John F. Kennedy School of Government
Master in Public Policy, 1993

Bank of America Leadership Academy
Development Training Institute, 2002

PROFESSIONAL & COMMUNITY INVOLVEMENT

Member of Board of Directors of Community Housing Partnership, which develops permanent affordable housing and services for formerly homeless individuals and families in San Francisco, April 2004 to Present.

Co-Chair of EBHO Community Acceptance Strategies Committee to build community acceptance of affordable housing amongst policymakers and the public. Served on EBHO Board of Directors, January 1996 to February 1997.

Member of Board of Directors of Californians for Justice, a statewide organization engaged in community organizing in low-income communities for racial justice, 1995 - 2001

December, 2000

SHARON CHRISTEN

Associate Director of Permanent Supportive Housing

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
Housing Developer, October 2002 to Present
Perform all phases of development of affordable housing including tasks associated with the acquisition, new construction and/or rehabilitation of quality affordable housing units and associated commercial property throughout California. Review sites for potential housing development; perform preliminary land use analysis to determine site development potential; meet and coordinate with property management staff to determine resident profile and service needs; perform tasks necessary to obtain local approvals and neighborhood acceptance of proposed housing projects; select, negotiate contracts and provide on-going coordination between architects, contractors and other members of the project team; prepare financial analysis and applications for funding.

GP/TODCO-A, Inc., San Francisco, California
Housing Developer, December 1997 - October 2002
Managed construction phase of rehabilitation of a UMB 72 unit SRO, total development cost $8.5 million. Assisted with services planning, tenant improvement planning, financing bidding, construction management, commercial space marketing. Conducted all aspects of project management of an 85 unit Section 202 financed project including managed RFP/RFQ process to select consultants, developed development budgets for City predevelopment and permanents loan requests, coordinated consultant work and monitored consultant contract compliance and conducted extensive outreach into the community to gain support for the project. Wrote and managed CDBG Request for Proposals submissions for non-profit administrative funding.

City of Oakland, Community and Economic Development Agency, Oakland, California
Student Trainee and Community Development Intern, 1995-1997
Reviewed and processed predevelopment loan applications. Closed loans and processed draws. Developed the City's Consolidated Plan and Annual Performance Report reporting on housing and community development activities. Developed a planning tool for the seven community development district citizen boards that analyzed past CDBG expenditures in relation to current community needs.

EDUCATIONAL BACKGROUND

University of California Davis
Bachelor of Arts, Political Science, 1993
Political Science Honor Society

San Francisco State University, San Francisco, California
Master of Public Administration, Urban Administration, 2002

Affordable Housing Development Training Program, San Francisco, California
Local Initiatives Support Corporation, 2000

FIONA RUDDY

Project Developer I

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
Project Developer I, February 2020 to present

- Manage and perform all tasks related to the development of affordable housing associated with acquisition and new construction.
- Responsible for reviewing sites for potential housing developments, preliminary land use analysis to determine feasibility; secure local approvals and neighborhood acceptance; prepare financial analysis and secure project funding; oversee design and construction process and close out with the investors and lender.
- Projects include: Hunters Point Shipyard Block 56 – 73 units of affordable family housing; The Kelsey Civic Center – 107 units of affordable housing with over 1,200 sq ft of commercial space.

San Francisco Housing Development Corporation San Francisco, California
Real Estate Project Manager, September 2018 to February 2020

- Project managed three Rental Assistance Demonstration public housing preservation projects.
- Led internal healthy communities initiative, bridging community development and public health sectors in order to reduce racial health disparities with a lens on creating healthy neighborhoods through housing.
- Represented organization in policy and public relations settings, including facilitating community and working group meetings, partnering with organizations in the public and private sector.

The San Francisco Foundation San Francisco, California
Fellow, Great Communities Collaborative, July 2016 to June 2017

- Developed strategy and communications documents for emerging multi-issue grantmaking initiative.
- Created documents for collective impact table of funders and advocacy groups identifying locations for and policy mechanisms to foster affordable housing development.
- Conducted cross-cutting research identifying policy and potential funding sources to influence implementation of green infrastructure and adaptive regional transportation plans to create a climate-resilient Bay Area.

Eastern Market Partnership Detroit, Michigan
Director of Food Access Programs, May 2013 to July 2015

- Conceived and implemented community engagement, marketing, and grantmaking strategy for growth of Detroit Community Markets collaborative, responsible for $450,000 program budget over four seasons.
- Managed growth of Eastern Market Farm Stand; including maintaining positive program culture with 12+ direct reports and cultivating sponsorships totaling over $90,000, ending program reliance on grant funding.

Alternative Food Program Coordinator, May 2011 to May 2015

- Launched Detroit Community Markets, Detroit's first coalition of faith-based and non-profit community stakeholders working to advance food justice and diversify the city's grocery economy.
- Recruited, hired, and trained 40+ individuals to run Eastern Market Farm Stand, a pop-up mobile market advancing nutritional behavior change, created all systems tracking for program grant reporting.

EDUCATIONAL BACKGROUND

University of California, Berkeley
Master of City Planning, Housing, Community & Economic Development, 2018
Master of Public Health, Health & Social Behavior, 2018

University of Michigan, Ann Arbor

Bachelor of Arts, Political Science, 2010
Minor, Peace & Social Justice

University of the Witwatersrand, Johannesburg, South Africa
Guest Student, International Human Rights Exchange, 2009

CURRENT COMMUNITY INVOLVEMENT & PROFESSIONAL AFFILIATIONS

Member, NPH Emerging Leaders Peer Network
Board of Directors, The San Francisco Wholesale Produce Market
Chair, Strategy Committee, The San Francisco Wholesale Produce Market

HONORS AND AWARDS

The James R. Boyce Affordable Housing Competition Studio, Individual & Team Award, 2018
University of California, Berkeley School of Public Health Academic Excellence Scholarship, 2016
Crain's Detroit Business "20 in their 20s" award, 2013

Simonne Joseph Moreno

Assistant Project Developer I

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
Assistant Project Developer I, March 2020 to present

- Provide support to project management and senior level staff in overseeing multiple affordable housing developments through various tasks such as developing work plans, managing timelines, producing detailed status reports, and managing related budget
- Prepare funding applications, assist in project feasibility, coordinate, and participate in construction meetings, and other administrative tasks associate with each project
- Maintain communication with all participating entities of each development phase such as investing partners, construction and mortgage lenders, project architects, general contractors, titles companies, property management, and residential services to ensure all project requirements are being met
- Projects include: Hunters Point Shipyard Block 56 – 73 units of affordable family housing; The Kelsey Civic Center – 107 units of affordable housing with over 1,200 sq ft of commercial space.

John Stewart Company, San Francisco, California
Associate Real Estate Analyst (Presidio Residences), October 2018 to February 2020

- Post monthly charges and ad hoc charges to individual accounts for over 1,100 residential units in the Presidio's residential housing program as well as apply physical checks and e-payments into correct accounts
- Generate monthly reports for management and C-level executives providing information on delinquent accounts, insight to residential analytics, and variances in financial data.
- Effectively use MS Excel to manipulate or extract necessary information from large datasets, create detailed visuals, and use existing models to create various reports
- Prepare, correct, and submit documents for 2019 financial audit ensuring that all leases and financial information are accurate
- Reconcile monthly cash deposits with reports from client and corporate accounting to ensure exact account receivables.

Golden Gate National Parks Conservancy, San Francisco, California
Environmental Educator, September 2016 to August 2018

- Develop and deliver curriculum that expose students to current environmental issues around the San Francisco Bay Area and similar communities around the world to display how different systems are interconnected and how environmental injustices elsewhere impacts their own communities
- Encourage students to engage with different communities by providing them with resources around the city like public parks, youth programs, and volunteer and service-oriented organizations
- Contact other non-profits that provide extracurricular outdoor educational opportunities to access services for program participants at a free or reduced price
- Communicated with classroom teachers and essential staff to schedule events, trips,

or visits to the Golden Gate National Parks Conservancy to complete planned programming and to build a successful lasting relationship with schools or partner organization

EDUCATIONAL BACKGROUND

San Francisco State University
Bachelor of Arts, American History
Minor, California Studies

City College of San Francisco
Associates of Science, Social and Behavioral Sciences
San Francisco, California

CURRENT COMMUNITY INVOLVEMENT & PROFESSIONAL AFFILIATIONS

Founder & Member, Environmental Educators of Color

HONORS AND AWARDS

Teacher's for Social Justice Award, May 2019

MICAELA CONNERY

LINKEDIN

Social entrepreneur focused on inclusive community development solutions. Believer that all people, of all abilities should have access to affordable housing and vibrant community.

EXPERIENCE

Founder and CEO, The Kelsey — 2017-Present

Addressing the shortage affordable housing for individuals with disabilities by building fully inclusive mixed income, mixed ability, multifamily housing that is financed through blended capital sources. Leading local and statewide organizing efforts to support a more inclusive housing pipeline. Seed funding from the Chan Zuckerberg Initiative and first investment from Google's affordable housing fund. Over 240 homes in development and over $29M in funding unlocked.

Consultant, Various Organizations — 2016-2017

Consultant for housing development and disability service organizations in various capacities. Led projects for Mercy Housing California and Bay Area Housing Corporation that are currently being implemented to provide disability housing.

Research Fellow, Harvard Joint Center for Housing Studies — 2015

Published internationally recognized paper for the Joint Center on disability housing and adult services: Disability Housing: What's happening? What's challenging? What's needed? Recipient of a Dubin Summer Fellowship.

Founder and CEO, Unified Theater — 2002-2014

Founded at 15 with a mission to foster inclusion and develop student leaders through the arts. CEO from 2009-2014, expanded into six states and led 5 year strategic planning. Served students in over 100 schools. Collaborated with Board of Directors on succession planning and executive transition.

EDUCATION

Harvard Kennedy School, MPP, 2016
University College Dublin Smurfit School, MBA, 2017
University of Virginia, BA, 2009

AWARDS AND FELLOWSHIPS

Harvard Social Innovation and Change Initiative Cheng Fellow, Mitchell Scholar., Coca Cola Scholar, Bluhm/Helfand Social Innovation Fellow, VH1 DoSomething Award Winner, Gloria Barron Young Hero, CNN Breakthrough Woman, World Economic Forum Global Shaper

SPEAKING AND WRITING

Boston Globe, Huffington Post, Annual Meeting of the World Economic Forum in Davos, London Olympics, The Vatican World Economic Forum Summit on Social & Economic Exclusion, International Conference on Inclusion, Chicago Ideas Week, Harvard Joint Center for Housing Studies, Google's The Keyword Blog

Caroline Bas

San Francisco, CA • (415) 203-0642 • caroline@thekelsey.org

Summary

- 15 years of managing executive and governance bodies across corporate, startup, non-profit, and philanthropic sectors
- Corporate and real estate finance professional

Professional Experience

2019-2020 **The Kelsey, Chief Operating Officer** San Francisco, CA

Dual mission housing nonprofit, accelerating disability-forward housing through co-development and advocacy

- Managed all aspects of financing related to the development of 115 affordable units in downtown San Jose
- Managed organizational budget and operations growing from $400K org to $1.1M org in 18 months
- Supervise field building and advocacy programs that elevate leaders with disabilities as housing advocates

2013-2019 **Deloitte Consulting** San Francisco, CA

Associate Partner (2019), **Manager** (2016-2019), **Senior Consultant** (2014-2016), **Summer Associate** (2013)

- Managed Deloitte Consulting's $70M investment in enterprise applications built on the Salesforce platform
- Led business model transformation investment programs for large technology companies:
  - Developed and socialized business cases securing $200M+ in investment
  - Designed and managed business requirement workshops engaging 1,000+ stakeholders
  - Designed "White Glove" and other sales programs targeted at C-level executives
- Designed and facilitated "design thinking" engagements uncovering business innovations and key strategies within the software, professional services, and philanthropic sectors

2011-2012 **HumanConcepts – Sales Operations Manager** Sausalito, CA

SaaS workforce modeling start-up with 150 employees across 5 countries; acquired by Saba Software in 2012

- Managed all aspects of sales operations and finance - including new year readiness, territory planning, and sales incentive calculation and analysis - enabling 80% new sales staff who achieved 20%+ top-line growth
- De-facto chief of staff to president for acquisition-related projects, such as due diligence presentations, revenue and pricing audits, ordering and CRM systems integration, and sales commission plan alignment

2007-2010 **Full Circle Fund** San Francisco, CA

Venture philanthropy network of professionals leveraging their time, talent and connections for social impact

Strategic Programs Manager (2010); **Membership & Communication Associate** (2007-2010)

- Owned organization's technology strategy; led implementation and training for CRM and other tools
- Project manager for business development taskforce resulting in the 35% growth in membership
- Worked alongside board of directors to define and develop tracking system for our program's impact metrics positioning the organization for 200% increase in funding from private foundations

2006-2007 **Rotaplast International** San Francisco, CA

International medical humanitarian nonprofit providing over $15 million of pro-bono services annually

Resource Manager (promoted from Volunteer Coordinator after 3 months)

Education

University of California Berkeley
MBA, Haas School of Business, May 2014

California Polytechnic University, San Luis Obispo
B.A. in Political Science, *cum laude*, 2002-2006

Volunteer

- Co-founder and board member of Northern Neighbors, and urbanist neighborhood association in San Francisco - grew membership to 300+ engaged residents within 9 months
- Volunteer trainer for Crisis Intervention Training (CIT) with National Alliance on Mental Illness (NAMI)
- Board Member of Home Owners Association (HOA) for Inner Richmond condo with 15 units

Ann Theresa Bui

Sacramento, CA | (408) 329-3518

Email: hienanne@gmail.com | linkedin.com/in/annhienbui

Professional Bio

Ann brings over 20 years of experience developing and managing person-centered, culturally competent community health projects. Passionate about resolving health care barriers, Ann's diverse professional experiences included serving as a Leadership Education in Neurodevelopmental and Related Disabilities (LEND) fellow at the UC Davis MIND Institute, Santa Clara County Public Health Policy Aide for County Board Supervisor Ken Yeager, Program Director at the California Foundation for Independent Living Centers (CFILC), Statewide Assistive Technology Project Coordinator and Grants Administrator for the CA Department of Rehabilitation, and as a Board Member for the advocacy organization Disability Voices United. Ann brings a unique perspective as a family advocate as well as an understanding of the California Regional Center Services System, public health systems, and the Self-Determination program. Ann has been a lifelong advocate and supporter of Martin, her brother with Autism and a Traumatic Brain Injury.

Professional Accomplishments & Qualifications

Project Management Experience

- Managed Countywide Diabetes Prevention Program and community health initiatives for Santa Clara County - serving over 1.9 million residents
- Managed multiple bilingual cohorts for Diabetes Prevention Program for Indian Health Center of Santa Clara Valley and Valley Health Plan
- Managed Statewide community health projects for persons with disabilities

Community Health Program Development and Management Experience

- Developed and managed culturally appropriate Diabetes Prevention and Mental Health Wellness programs
- Developed community assessment surveys and community health grants for the LGBTQ communities in Santa Clara County
- Developed and managed Domestic Violence Prevention Programs and PTSD awareness for Vietnamese American Communities
- Developed and coordinated culturally appropriate behavioral health screenings and early development screenings for neurodevelopmental disabilities for mothers at risk of homelessness and experiencing homelessness

Grant Administration Experience

- Created guidelines and advised best practices for grant and fund administration for the Federal and State Assistive Technology Act Program
- Researched, developed trainings, and revised policies to better manage and execute community grants for persons with disabilities and underserved communities across California

Lived Caregiving & Supportive Services Experience

- Provided 35 years of Caregiving & Supportive Services to aging parents and siblings with disabilities
- Family and self-advocate for accessible and culturally competent services for persons with disabilities
- Build Circles of Support for persons with physical and cognitive disabilities

Work History

- **Manager, Housing and Inclusion Services,** The Kelsey, August 2020 – present
- **Community Services & Supports Specialist,** Alta California Regional Center, March 2020 – August 2020
- **Program Director,** California Foundation for Independent Living Centers, January 2019 – March 2020
- **Statewide Grants Administrator & AT Project Coordinator,** CA Dept. of Rehabilitation, April 2017 – January 2019
- **LEND Fellow - Public Health & Policy**, UC Davis MIND Institute, September 2016 – October 2017
- **Public Health & Policy Aide**, Santa Clara County Board of Supervisor Ken Yeager, April 2015 – December 2016

- **Personal Health Assistant/Lifestyle Health Coach**, Better/Remote Health Services, July 2014 - June 2015
- **Diabetes Management and Prevention Project Coordinator/Lifestyle Health Coach**, Indian Health Center of Santa Clara Valley, July 2013 - June 2014
- **Community Engagement Coordinator & Open-Air Health Fair Volunteer Coordinator**, The Health Trust, March 2010 - October 2013
- **Client Services Specialist/Floor Manager,** Cambridge Innovation Center (CIC), March 2008 – November 2009
- **Cultural & Community Health Project Consultant,** Boston Medical Center, July 2007 – July 2008
- **Community Organizer,** Close to Home Domestic Violence Prevention Initiative, May 2006 – May 2007

Education

California State University, Northridge (CSUN) Northridge, CA
Professional Certificate, Assistive Technology Applications (ATACP) May 2018

California State University East Bay, Hayward, CA
Master of Science, Health Care Administration & Change Management September 2015

University of Illinois at Chicago, Chicago, IL
Bachelor of Arts, Psychology May 2002

Attachment D: Asset Management Evaluation of Project Sponsor

Attachment D: Asset Management Evaluation of Project Sponsor

Mercy Housing California's California Asset Management staff will provide asset management staff for the asset management duties. Mercy's Denver compliance and accounting staff would continue to perform compliance and accounting duties for the 600 7th Street project during operations.

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

MHI's Asset management department currently oversees 126 buildings with 8,398 units in the state of California.

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

Mercy Housing Inc. (MHI)'s Asset management department currently has a staff of 10 people. Four (4 FTEs) Asset Managers oversee the entire California portfolio. Four (4 FTEs) Asset Management Analysts provide support to the Asset managers. There is a Director of Portfolio Analysis (1 FTE) that oversees all of the analysts. The department head is the Senior Vice President of Portfolio Management (1 FTE) that oversees the entire department. All positions are currently filled and they are all full time. The breakdown of MHI's asset management staff positions is as follows:

(1) Senior Vice President of Portfolio management
(1) Director of Portfolio Analysis
(4) Asset Managers
(4) Asset Management Analysts

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

MHI's Asset Management staff has oversight over all operations of the properties in the portfolio. All of the Asset Management staff mentioned above fall under the umbrella of the property management department. Asset Management reviews financials, approves budgets, approves substantial capital initiatives, is a part of the team that determines long term capital projects. The asset management staff oversee build out for all existing commercial spaces and do all of the reporting and communication to all of financial partners. Asset management approves all annual budgets for the properties and approve all operating reserve draws or internal line of credit requests when a property is short of cash and needs a temporary funding to meet property operations costs. Asset management submits grants and loan applications for the properties to secure or continue operating funding.

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

There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is constant coordination with property management on a daily basis in regards to those issues. Asset and Property Management work together on the annual audits and budgets. In addition there is

constant coordination around cash management and the financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

Developer's Budget for Asset Management Team Shown as Cost Center for SF Projects

Asset Management staffing budget is $1,585,000.

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

MHI anticipates that the portfolio will grow from 126 buildings to approximately 136 buildings in the next 5 years.

MOHCD Asset Management Staff's Final Assessment of Developers Asset Management Capacity

The Developer's description of their asset management functions, duties and coordination with related teams within the organization demonstrates an adequate asset management operation for their existing portfolio. With 4 FTE asset managers and a portfolio of 126 projects in California, the projects/AM staff ratio is 32, which is considered high based on the industry standard of 20-25 taught by NeighborWorks America; however, the Developer's asset management staff also includes 4 FTE asset management analysts who support the asset managers. Assuming that the full range of asset management responsibilities are covered by the asset managers and the asset management analysts, a total of 8 FTEs provides asset management services at a ratio of 16 projects per staff person, not including staff supervision and oversight. With an increase of 10 projects in the Developer's portfolio anticipated over the next 5 years, the ratio will increase to 17 and remain within the industry standard.

Attachment E: Site Map with amenities

Attachment F: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison

Updated *1/18/2021*

PROJECTS COMPLETED						Building Square Footage			Total Project Costs							
Project Name	**Address**	**Lot sq.ft**	**Compl. Date**	**# of Units**	**# of BR[1]**	**Res.[2]**	**Non-Res.**	**Total**	**Acq. Cost3**	**Constr. Cost4**	**Soft Cost**	**Total Dev. Cost w/land**	**Local Subsidy5**	**Total Dev. Cost w/o land**	**Notes on Financing**	**Comments**
95 Laguna Senior	95 Lagnua	14,300	May-19	79	82	59,785	7,316	67,101	$ 5,012,000	$ 33,074,323	$ 11,343,750	$ 49,430,073	$ 21,234,000	$ 44,418,073	9% LIHTC	7 Story - 5 stories Type III over 2 stories Type IA + Community Services space (Open House)
Mission Bay Bl 6 East	626 Mission Bay Blvd. No.	63,250	Nov-18	143	276	162,080	9,719	171,799	$ 148,125	$ 80,714,284	$ 15,222,907	$ 96,085,316	$ 35,750,000	$ 95,937,191	HCD AHSC Loan	Type IIIA & V over Type I podium, 41 pkg spaces, Mission Bay soils and infrastructure
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	$ 20,700	$ 61,144,891	$ 12,766,230	$ 73,931,821	$ 17,693,093	$ 73,911,121		Type IIIA & V over Type I Podium (4-6 stories) stepped w/ topography. No infrast. Cost
Completed Projects:	***Average:***	***35,850***		***98***	***166***	***102,811***	***15,329***	***118,140***	***$ 1,726,942***	***$ 58,311,166***	***$ 13,110,962***	***$ 73,149,070***	***$ 24,892,364***	***$ 71,422,129***		

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs							
Project Name	**Address**	**Lot sq.ft**	**Compl. Date**	**# of Units**	**# of BR[1]**	**Res.[2]**	**Non-Res.**	**Total**	**Acq. Cost3**	**Constr. Cost4**	**Soft Cost**	**Total Dev. Cost w/land**	**Local Subsidy5**	**Total Dev. Cost w/o land**	**Notes on Financing**	**Comments**
735 Davis Senior Housing	735 Davis	10,165	Nov-20	53	54	46,143	1,257	47,400	$ -	$ 29,049,657	$ 11,846,397	$ 40,896,054	$ 18,525,949	$ 40,896,054		Type IIIA & V over Type I Podium (5-6 stories) - Senior
88 Broadway - Family Housing	88 Broadway	38,182	Mar-21	125	221	140,279	8,700	148,979	$ 14,900,000	$ 69,461,936	$ 27,758,226	$ 112,120,162	$ 27,908,676	$ 97,220,162		Type IIIA & V over Type I Podium (5-6 stories) - family
691 China Basin (MB South 6W)	691 China Basin St	49,437	Mar-21	152	294	178,050	7,098	185,148	$ -	$ 93,617,452	$ 27,507,082	$ 121,124,534	$ 47,361,690	$ 121,124,534	HCD IIG Grant	Type III/podium and Type V/podium on mews wing, incl. 28 parking spaces, 4,640 sf child care spa
53 Colton (Plumbers Union DA)	53 Colton	7,780	Dec-20	96	96	47,969	-	47,969	$ 171,697	$ 34,895,639	$ 16,721,274	$ 51,788,610	$ 2,750,000	$ 51,616,913	4% Fed & State; HCD MHP, AHP, $10M GM Cont.	Type IIIA over Type I podium and basement, 6 stories, constrained site, efficiency studios
Under Construction:	***Average:***	***26,391***		***107***	***166***	***103,110***	***5,685***	***107,374***	***$ 7,535,849***	***$ 56,756,171***	***$ 20,958,245***	***81,482,340***	***24,136,579***	***77,714,416***		

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs							
Project Name	**Address**	**Lot sq.ft**	**Start Date (anticipated)**	**# of Units**	**# of BR[1]**	**Res.[2]**	**Non-Res.**	**Total**	**Acq. Cost3**	**Constr. Cost4**	**Soft Cost**	**Total Dev. Cost w/land**	**Local Subsidy**	**Total Dev. Cost w/o land**	**Notes on Financing**	**Comments**
TI Parcel C3.1	Treasure Island C3.1	49,497	Jul-21	138	321	140,803	52,000	192,803	$ 25,000	$ 100,337,586	$ 21,841,279	$ 122,203,865	$ 33,014,900	$ 122,178,865	HCD AHSC Loan	Type IIIA and VB over Type I in 3 to 7 stories stepped + 26 pkg and Youth Activity (100% DD 6/20
Shirley Chisholm Village Ed Hsg.	1351 42nd	60,000	Mar-21	135	203	157,635	11,322	168,957	$ -	$ 80,756,322	$ 19,603,978	$ 100,360,300	$ 25,469,902	$ 100,360,300	9% LIHTC	Type 3A 4 stories on grade courtyard + IA pkg and Community + POPO 9% LIHTC proposed (11/1
Sunnydale Block 3B	TBD	73,000	Feb-22	168	327	187,000	30,000	217,000	$ 40,002	$ 136,444,929	$ 30,647,593	$ 167,132,524	$ 33,542,584	$ 167,092,522	4% Credits; HCD IIG & AHSC	Type IIIA 5 story, 30k sq ft of commercial; includes infrastructure costs
Potrero Block B	25th and Connecticut	74,311	Aug-20	157	348	242,034	43,174	285,208	$ -	$ 124,614,399	$ 35,517,065	$ 160,131,464	$ 12,057,404	$ 160,131,464	4% Credits; HCD IIG & AHSC	Type IIIA over Type IA 5-6 stepped, 65 pkg + childcare & park. (per 11/19/20 est. incl VE) excl. Infra
Hunters View Ph 3 Block 14 & 17	855 & 853 Hunters View Dr	39,355	Oct-21	118	286	172,645	3,881	176,526	$ -	$ 99,328,925	$ 23,897,677	$ 123,226,602	$ 37,735,027	$ 123,226,602	4% Credits; HCD MHP	Type III-A over Type I 5-6 stories with Comml (Community svg) spaces & 56 Pkg spaces (35% CD
4200 Geary	4200 Geary	16,738	Feb-22	98	98	83,109	2,442	85,551	$ 11,064,369	$ 60,680,584	$ 18,629,458	$ 90,374,411	$ 35,251,638	$ 79,310,042	4% Credits; HCD MHP, AHP, Private Loan	Type III over Type I, 7 stories, TI space, no parking, Urban Agriculture (Sept. 2020 SD Estimate)
Laguna Honda Senior	375 Laguna Honda Blvd		Feb-24	200	204	212,000	13,000	225,000	$ 15,000	$ 97,750,000	$ 20,222,441	$ 117,987,441	$ 47,272,441	$ 117,972,441	4% Credits; IIG, HCD, AHP	Type III over I, 7 stories
In Predevelopment	***Average:***	***52,150***		***145***	***255***	***170,747***	***22,260***	***193,006***	***$ 1,592,053***	***$ 99,987,535***	***$ 24,337,070***	***$ 125,916,658***	***$ 32,049,128***	***$ 124,324,605***		

ALL PROJECTS	***Average:***	***38,130***		***116***	***196***	***125,556***	***14,425***	***139,507***	***$ 3,618,281***	***$ 71,684,957***	***$ 19,468,759***	***$ 93,516,023***	***$ 27,026,024***	***$ 91,153,716***		
SUBJECT PROJECT	240 Van Ness The Kelse	18313	Jul-22	107	117	86288	1349	87637	9846	64775759	23483511	88269116	13,000,000	88259270	4% LIHTC , IIG, AHSC, Large Sponsor Loan	5 stories of Type III over 3 stories of Type I

PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
Project Name	**Compl. Date**	**Acq/unit**	**Acq/BR**	**Acq/lot sq.ft**	**Const/unit**	**Const/BR**	**Const/sq.ft[6]**	**Soft/unit**	**Soft/BR**	**Soft/sq.ft6**	**Gross TDC/unit**	**Gross TDC/BR**	**Gross TDC/sq.ft6**	**Subsidy / unit**	**Leveraging [7]**
95 Laguna Senior	May-19	63,443	61,122	350	$ 418,662	$ 403,345	$ 493	$ 143,592	$ 138,338	$ 169	$ 625,697	$ 602,806	$ 737	$ 268,785	57.0%
Mission Bay S6E	Nov-18	1,036	537	2	$ 564,436	$ 292,443	$ 470	$ 106,454	$ 55,155	$ 89	$ 671,925	$ 348,135	$ 559	$ 250,000	62.8%
Potrero Block X (Vertical)	Sep-19	288	149	1	$ 849,235	$ 439,891	$ 529	$ 177,309	$ 91,843	$ 111	$ 1,026,831	$ 531,884	$ 640	$ 245,737	76.1%
Completed Projects:	***Average:***	***21,589***	***20,603***	***118***	***610,777***	***378,560***	***497***	***142,451***	***95,112***	***123***	***774,818***	***494,275***	***645***	***254,841***	***65%***

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	**Compl. Date**	**Acq/unit**	**Acq/BR**	**Acq/lot sq.ft**	**Const/unit**	**Const/BR**	**Const/sq.ft[6]**	**Soft/unit**	**Soft/BR**	**Soft/sq.ft6**	**Gross TDC/unit**	**Gross TDC/BR**	**Gross TDC/sq.ft6**	**Subsidy / unit**	**Leveraging [7]**
735 Davis Senior Housing	Nov-20	-	-	-	$ 548,107	$ 537,957	$ 613	$ 223,517	$ 219,378	$ 250	$ 771,624	$ 757,334	$ 863	$ 349,546	54.7%
88 Broadway - Family Housing	Mar-21	119,200	67,421	390	$ 555,695	$ 314,307	$ 466	$ 222,066	$ 125,603	$ 186	$ 896,961	$ 507,331	$ 753	$ 223,269	75.1%
691 China Basin (MB South 6W)	Mar-21	-	-	-	$ 615,904	$ 318,427	$ 506	$ 180,968	$ 93,562	$ 149	$ 796,872	$ 411,988	$ 654	$ 311,590	60.9%
Sunnydale Block 6	Feb-22	238	122	1	$ 812,172	$ 417,263	$ 629	$ 182,426	$ 93,724	$ 141	$ 994,836	$ 511,109	$ 770	$ 199,658	79.9%
53 Colton	Jun-22	1,789	1,789	22	$ 363,496	$ 363,496	$ 727	$ 174,180	$ 174,180	$ 349	$ 539,465	$ 539,465	$ 1,080	$ 28,646	94.7%
Under Construction:	***Average:***	***24,245***	***13,866***	***83***	***579,075***	***390,290***	***588***	***196,631***	***141,289***	***215***	***799,952***	***545,445***	***824***	***222,542***	***73%***

PROJECTS IN PREDEVELOPMENT		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	**Start Date (anticipated)**	**Acq/unit**	**Acq/BR**	**Acq/lot sq.ft**	**Const/unit**	**Const/BR**	**Const/sq.ft[6]**	**Soft/unit**	**Soft/BR**	**Soft/sq.ft6**	**Gross TDC/unit**	**Gross TDC/BR**	**Gross TDC/sq.ft6**	**Subsidy / unit**	**Leveraging [7]**
TI Parcel C3.1	Jul-21	181	78	1	$ 727,084	$ 312,578	$ 520	$ 158,270	$ 68,041	$ 113	$ 885,535	$ 380,697	$ 634	$ 239,238	73.0%
FSK Educator Housing	Mar-21	-	-	-	$ 598,195	$ 397,814	$ 478	$ 145,215	$ 96,571	$ 116	$ 743,410	$ 494,386	$ 594	$ 188,666	74.6%
Sunnydale Block 3B	Feb-22	238	122	1	$ 812,172	$ 417,263	$ 629	$ 182,426	$ 93,724	$ 141	$ 994,836	$ 511,109	$ 770	$ 199,658	79.9%
Potrero Block B	Aug-20	-	-	-	$ 793,722	$ 358,087	$ 437	$ 226,223	$ 102,061	$ 125	$ 1,019,946	$ 460,148	$ 561	$ 76,799	92.5%
Hunters View Ph 3 Block 17	Oct-21	-	-	-	$ 841,771	$ 347,304	$ 563	$ 202,523	$ 83,558	$ 135	$ 1,044,293	$ 430,862	$ 698	$ 319,788	69.4%
53 Colton	Dec-20	1,789	1,789	22	$ 363,496	$ 363,496	$ 727	$ 174,180	$ 174,180	$ 349	$ 539,465	$ 539,465	$ 1,080	$ 28,646	94.7%
4200 Geary	Feb-22	112,902	112,902	661	$ 619,190	$ 619,190	$ 709	$ 190,097	$ 190,097	$ 218	$ 922,188	$ 922,188	$ 1,056	$ 359,711	61.0%
Laguna Honda Senior	Feb-22	75	74		$ 488,750	$ 479,167	$ 434	$ 101,112	$ 99,130	$ 90	$ 589,937	$ 578,370	$ 524	$ 236,362	59.9%
In Predevelopment	***Average:***	***14,398***	***14,370***	***98***	***655,547***	***411,862***	***562***	***172,506***	***113,420***	***161***	***842,451***	***539,653***	***740***	***206,109***	***76%***

All Projects:	***AVERAGE***	***20,077***	***16,280***	***99***	***$ 615,133***	***$ 393,571***	***$ 549***	***$ 170,529***	***$ 116,607***	***$ 166***	***$ 805,740***	***$ 526,458***	***$ 736***	***$ 227,830***	***71.3%***

Attachment G: Sources and Uses

Application Date:	1/22/21	**# Units:**	**109**
Project Name:	The Kelsey Civic Center	***# Bedrooms:***	**141**
Project Address:	240 Van Ness Ave	**# Beds:**	
Project Sponsor:	Mercy Housing California / The Kelsey		

Don't forget to fill in D135:D138!

							Total Sources	**Comments**
SOURCES	**2,000,000**	**1,000,000**	**600,000**	**821,061**	**-**	**-**	**4,421,061**	
Name of Sources:	MOHCD/OCII	The Kelsey Dignity Health	The Kelsey Sponsor Loan	Mercy LOC				
USES								
ACQUISITION								
Acquisition cost or value							0	
Legal / Closing costs / Broker's Fee							0	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
CONSTRUCTION (HARD COSTS)								
Unit Construction/Rehab							0	Include FF&E
Commercial Shell Construction							0	
Demolition			460,430				460,430	Conducted with predevelopment funds
Environmental Remediation							0	
Onsight Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	*0*	*0*	*460,430*	*0*	*0*	*0*	*460,430*	
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**0**	**0**	**460,430**	**0**	**0**	**0**	**460,430**	
SOFT COSTS								
Architecture & Design								
Architect design fees	1,482,470						1,482,470	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		481,517					481,517	
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
Sub-total Architect Contract	*1,482,470*	*481,517*	*0*	*0*	*0*	*0*	*1,963,987*	
Other Third Party design consultants (not included under Architect contract)	250,000						250,000	Civil Engineering, Joint Trench, Waterproofing, GPR, Universal Design Consultant
Total Architecture & Design	**1,732,470**	**481,517**	**0**	**0**	**0**	**0**	**2,213,987**	
Engineering & Environmental Studies								
Survey		56,500					56,500	
Geotechnical studies		50,000					50,000	Rockridge
Phase I & II Reports		42,500					42,500	Langan Phase II and Site Mitigation Plan
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants		27,875					27,875	Acumen Industrial Hygiene - Lead and Asbestos Testing in 155 Grove, 240 Van Ness. $27,875
Total Engineering & Environmental Studies	**0**	**176,875**	**0**	**0**	**0**	**0**	**176,875**	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Financing + Bank Application Fees							0	
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Permanent Financing Costs								
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Legal Costs								
Borrower Legal fees							0	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
Other Legal (specify)							0	
Total Legal Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Other Development Costs								
Appraisal	10,000						10,000	
Market Study	13,000						13,000	
* Insurance							0	
* Property Taxes							0	
Accounting / Audit							0	
* Organizational Costs							0	
Entitlement / Permit Fees		127,911	125,670	246,419			500,000	
* Marketing / Rent-up							0	
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees							0	
* Financial Consultant fees	40,000						40,000	
Construction Management fees / Owner's Rep		53,800					53,800	Oct 2020 - July 2022 at 2,500/mo
Security during Construction							0	
* Relocation							0	
Predevelopment Interest and Loan Fees		29,200					29,200	Dignity loan at 3.5% interest draw down small administrative fee to draw on the Mercy LOC
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	**63,000**	**210,911**	**125,670**	**246,419**	**0**	**0**	**646,000**	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	179,547	86,930	12,567	24,642	0	0	303,686	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**1,975,017**	**956,233**	**138,237**	**271,061**	**0**	**0**	**3,340,548**	
RESERVES								
* Operating Reserves							0	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
DEVELOPER COSTS								
Developer Fee - Cash-out Paid at Milestones	24,983	43,767	1,333	550,000			620,083	
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee								
Developer Fee - GP Equity (also show as source)								
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	**24,983**	**43,767**	**1,333**	**550,000**	**0**	**0**	**620,083**	
TOTAL DEVELOPMENT COST	**2,000,000**	**1,000,000**	**600,000**	**821,061**	**0**	**0**	**4,421,061**	
Development Cost/Unit by Source	18,349	9,174	5,505	7,533	0	0	40,560	
Development Cost/Unit as % of TDC by Source	45.2%	22.6%	13.6%	18.6%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	4,224	0	0	0	4,224	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	5.26	0.00	0.00	0.00	5.26	

**Possible non-eligible GO Bond/COP Amount:*	*40,000*	
City Subsidy/Unit	18,349	
Tax Credit Equity Pricing:		**Fill in with value or 'N/A' if not applicable.**
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Interest Rate (as %):		**Fill in with value or 'N/A' if not applicable.**

Construction line item costs as a % of hard costs

	0.0%
	0.0%
	0.0%
	0.0%
	0.0%
	0.0%
	0.0%

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

Attachment H: Development Budget

Application Date:	1/22/21	**# Units:**	**109**
Project Name:	The Kelsey Civic Center	***# Bedrooms:***	**141**
Project Address:	240 Van Ness Ave	**# Beds:**	
Project Sponsor:	Mercy Housing California / The Kelsey		

Don't forget to fill in D135:D138!

							Total Sources	**Comments**
SOURCES	**2,000,000**	**1,000,000**	**600,000**	**821,061**	**-**	**-**	**4,421,061**	
Name of Sources:	MOHCD/OCII	The Kelsey Dignity Health	The Kelsey Sponsor Loan	Mercy LOC				
USES								
ACQUISITION								
Acquisition cost or value							0	
Legal / Closing costs / Broker's Fee							0	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
CONSTRUCTION (HARD COSTS)								
Unit Construction/Rehab							0	Include FF&E
Commercial Shell Construction							0	
Demolition			460,430				460,430	Conducted with predevelopment funds
Environmental Remediation							0	
Onsight Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	*0*	*0*	*460,430*	*0*	*0*	*0*	*460,430*	
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**0**	**0**	**460,430**	**0**	**0**	**0**	**460,430**	
SOFT COSTS								
Architecture & Design								
Architect design fees	1,482,470						1,482,470	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		481,517					481,517	
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
Sub-total Architect Contract	*1,482,470*	*481,517*	*0*	*0*	*0*	*0*	*1,963,987*	
Other Third Party design consultants (not included under Architect contract)	250,000						250,000	Civil Engineering, Joint Trench, Waterproofing, GPR, Universal Design Consultant
Total Architecture & Design	**1,732,470**	**481,517**	**0**	**0**	**0**	**0**	**2,213,987**	
Engineering & Environmental Studies								
Survey		56,500					56,500	
Geotechnical studies		50,000					50,000	Rockridge
Phase I & II Reports		42,500					42,500	Langan Phase II and Site Mitigation Plan
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants		27,875					27,875	Acumen Industrial Hygiene - Lead and Asbestos Testing in 155 Grove, 240 Van Ness. $27,875
Total Engineering & Environmental Studies	**0**	**176,875**	**0**	**0**	**0**	**0**	**176,875**	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Financing + Bank Application Fees							0	
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Permanent Financing Costs								
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Legal Costs								
Borrower Legal fees							0	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
Other Legal (specify)							0	
Total Legal Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Other Development Costs								
Appraisal	10,000						10,000	
Market Study	13,000						13,000	
* Insurance							0	
* Property Taxes							0	
Accounting / Audit							0	
* Organizational Costs							0	
Entitlement / Permit Fees		127,911	125,670	246,419			500,000	
* Marketing / Rent-up							0	
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees							0	
* Financial Consultant fees	40,000						40,000	
Construction Management fees / Owner's Rep		53,800					53,800	Oct 2020 - July 2022 at 2,500/mo
Security during Construction							0	
* Relocation							0	
Predevelopment Interest and Loan Fees		29,200					29,200	Dignity loan at 3.5% interest draw down small administrative fee to draw on the Mercy LOC
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	**63,000**	**210,911**	**125,670**	**246,419**	**0**	**0**	**646,000**	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	179,547	86,930	12,567	24,642	0	0	303,686	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**1,975,017**	**956,233**	**138,237**	**271,061**	**0**	**0**	**3,340,548**	
RESERVES								
* Operating Reserves							0	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
DEVELOPER COSTS								
Developer Fee - Cash-out Paid at Milestones	24,983	43,767	1,333	550,000			620,083	
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee								
Developer Fee - GP Equity (also show as source)								
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	**24,983**	**43,767**	**1,333**	**550,000**	**0**	**0**	**620,083**	
TOTAL DEVELOPMENT COST	**2,000,000**	**1,000,000**	**600,000**	**821,061**	**0**	**0**	**4,421,061**	
Development Cost/Unit by Source	18,349	9,174	5,505	7,533	0	0	40,560	
Development Cost/Unit as % of TDC by Source	45.2%	22.6%	13.6%	18.6%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	4,224	0	0	0	4,224	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	5.26	0.00	0.00	0.00	5.26	

**Possible non-eligible GO Bond/COP Amount:*	*40,000*	
City Subsidy/Unit	18,349	
Tax Credit Equity Pricing:		**Fill in with value or 'N/A' if not applicable.**
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Interest Rate (as %):		**Fill in with value or 'N/A' if not applicable.**

Construction line item costs as a % of hard costs

	0.0%
	0.0%
	0.0%
	0.0%
	0.0%
	0.0%
	0.0%

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

Attachment I: 1st Year Operating Budget

Application Date:	**1/22/2021**	**Project Name:**	**The Kelsey Civic Center**
Total # Units:	**109**	**Project Address:**	**240 Van Ness Ave**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2024**	**Project Sponsor:**	**Mercy Housing California / The Kelsey**

Correct errors noted in Col N!

INCOME	**Total**	**Comments**	**PUPA**	**PUPM**
Residential - Tenant Rents	1,688,244	Links from 'New Proj - Rent & Unit Mix' Worksheet	15,488	1,291
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet	-	-
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet	-	
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet	-	
Supportive Services Income			-	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet	-	
Laundry and Vending	6,955	Links from 'Utilities & Other Income' Worksheet	64	
Tenant Charges	2,400	Links from 'Utilities & Other Income' Worksheet	22	
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet	-	
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	
Withdrawal from Capitalized Reserve (deposit to operating account)			-	
Gross Potential Income	**1,697,599**			
Vacancy Loss - Residential - Tenant Rents	(84,412)	Vacancy loss is 5% of Tenant Rents.	(774)	
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!	-	
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	
EFFECTIVE GROSS INCOME	**1,613,187**	***PUPA: 14,800***		

OPERATING EXPENSES				
Management				
Management Fee	83,460	$65/u/month according to the HUD 2019 schedule	766	64
Asset Management Fee	25,130		231	
Sub-total Management Expenses	**108,590**	***PUPA: 996***		
Salaries/Benefits				
Office Salaries	63,120	, 1 Assistant Manager, .20 Housing Support Specialist	579	
Manager's Salary	82,000	1 Senior Property Manager	752	
Health Insurance and Other Benefits	126,828		1,164	
Other Salaries/Benefits	35,000	As needed nights and weekends security coverage	321	
Administrative Rent-Free Unit			-	
Sub-total Salaries/Benefits	**306,948**	***PUPA: 2,816***		
Administration				
Advertising and Marketing	3,120		29	
Office Expenses	44,907		412	
Office Rent			-	
Legal Expense - Property	2,500		23	-
Audit Expense	27,050		248	
Bookkeeping/Accounting Services		included in audit	-	
Bad Debts			-	
Miscellaneous			-	
Sub-total Administration Expenses	**77,577**	***PUPA: 712***		
Utilities				
Electricity	46,117		423	35
Water	67,600		620	52
Gas			-	-
Sewer	98,904		907	76
Sub-total Utilities	**212,621**	***PUPA: 1,951***		
Taxes and Licenses				
Real Estate Taxes	2,500		23	
Payroll Taxes			-	
Miscellaneous Taxes, Licenses and Permits	2,500		23	
Sub-total Taxes and Licenses	**5,000**	***PUPA: 46***		
Insurance				
Property and Liability Insurance	140,000	This is based off of an estimate from Mercy's VP of Insurance and Risk based on what he is	1,284	
Fidelity Bond Insurance			-	
Worker's Compensation			-	
Director's & Officers' Liability Insurance			-	
Sub-total Insurance	**140,000**	***PUPA: 1,284***		
Maintenance & Repair				
Payroll	100,828	1 FTE janitor, 1 FTE maintenance	925	
Supplies	25,640		235	
Contracts	73,520		674	
Garbage and Trash Removal	48,257		443	
Security Payroll/Contract			-	
HVAC Repairs and Maintenance	19,136		176	
Vehicle and Maintenance Equipment Operation and Repairs			-	
Miscellaneous Operating and Maintenance Expenses			-	
Sub-total Maintenance & Repair Expenses	**267,381**	***PUPA: 2,453***		
Supportive Services	129,850	1 FTE Inclusion Coinserge (Resident Services Coordination) and Supplies	1,191	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	
TOTAL OPERATING EXPENSES	***1,247,967***	***PUPA: 11,449***		
Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	15,000	Ground lease with MOHCD — Provide additional comments here, if needed.	138	
Bond Monitoring Fee	2,500		23	
Replacement Reserve Deposit	53,500		491	
Operating Reserve Deposit			-	
Other Required Reserve 1 Deposit			-	
Other Required Reserve 2 Deposit			-	
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**71,000**	***PUPA: 651***		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,318,967**	***PUPA: 12,101***		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**294,220**	***PUPA: 2,699***		

Min DSCR:	1.09
Mortgage Rate:	5.00%
Term (Years):	30
Supportable 1st Mortgage Pmt:	269,926
Supportable 1st Mortgage Amt:	$4,190,194
Proposed 1st Mortgage Amt:	$4,000,000

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender	0		Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lend	84,000	HCD AHSC	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	**84,000**	***PUPA: 771***	
CASH FLOW (NOI minus DEBT SERVICE)	**210,220**		
USES OF CASH FLOW BELOW (This row also shows DSCR.)	***3.50***		

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)				
Partnership Management Fee (see policy for limits)	25,130			Enter order for pymt (i.e., 1st, 2nd, etc.) in Comments cell.
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	7,500			Enter order for pymt (i.e., 1st, 2nd, etc.) in Comments cell.
Other Payments				
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.	
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	103,381	Def. Develop. Fee split: 58%	Provide additional comments here, if needed.	
	Deferred Developer Fee exceeds annual limit!			
TOTAL PAYMENTS PRECEDING MOHCD	**136,011**	***PUPA: 1,248***		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**74,209**			

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**Yes**
Will Project Defer Developer Fee?	**Yes**		
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	**0**
% *of Residual Receipts available for distribution to* **soft debt lenders** in	50%		

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	$13,000,000	39.22%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	$150,000	0.45%
HCD (soft debt loan) - Lender 3	HCD AHSC	$20,000,000	60.33%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	29,437	50% of residual receipts, multiplied by 39.67% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	29,437	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	**44,772**	

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	44,772	50% of residual receipts, multiplied by 60.33% -- HCD AHSC's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	**44,772**	
REMAINDER (Should be zero unless there are distributions below)	**0**	
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Attachment J: 20-year Operating Proforma

The Kelsey Civic Center

Total # Units: *109*

	% annual increase	Comments (related to annual inc assumptions)	Year 1 2024 Total	Year 2 2025 Total	Year 3 2026 Total	Year 4 2027 Total	Year 5 2028 Total	Year 6 2029 Total	Year 7 2030 Total	Year 8 2031 Total	Year 9 2032 Total	Year 10 2033 Total
INCOME												
Residential - Tenant Rents	2.0%		1,688,244	1,722,009	1,756,449	1,791,578	1,827,410	1,863,958	1,901,237	1,939,262	1,978,047	2,017,608
Residential - Tenant Assistance Payments (Non-LOSP)	n/a		-									
Commercial Space	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Residential Parking	2.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.0%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.0%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.0%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.0%		6,955	7,094	7,236	7,381	7,528	7,679	7,832	7,989	8,149	8,312
Tenant Charges	2.0%		2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868
Miscellaneous Residential Income	2.0%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-									
Gross Potential Income			**1,697,599**	**1,731,551**	**1,766,182**	**1,801,506**	**1,837,536**	**1,874,286**	**1,911,772**	**1,950,008**	**1,989,008**	**2,028,788**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(84,412)	(86,100)	(87,822)	(89,579)	(91,370)	(93,198)	(95,062)	(96,963)	(98,902)	(100,880)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**1,613,187**	**1,645,451**	**1,678,360**	**1,711,927**	**1,746,165**	**1,781,089**	**1,816,710**	**1,853,045**	**1,890,105**	**1,927,908**
OPERATING EXPENSES												
Management												
Management Fee	3.0%	1st Year to be set according to HUD schedule.	83,460	85,964	88,543	91,199	93,935	96,753	99,656	102,645	105,725	108,896
Asset Management Fee	3.5%	per MOHCD policy	25,130	26,010	26,920	27,862	28,837	29,847	30,891	31,972	33,091	34,250
Sub-total Management Expenses			**108,590**	**111,973**	**115,463**	**119,061**	**122,772**	**126,600**	**130,547**	**134,618**	**138,816**	**143,146**
Salaries/Benefits												
Office Salaries	3.0%		63,120	65,014	66,964	68,973	71,042	73,173	75,369	77,630	79,959	82,357
Manager's Salary	3.0%		82,000	84,460	86,994	89,604	92,292	95,060	97,912	100,850	103,875	106,991
Health Insurance and Other Benefits	3.0%		126,828	130,633	134,552	138,588	142,746	147,028	151,439	155,982	160,662	165,482
Other Salaries/Benefits	3.0%		35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667
Administrative Rent-Free Unit	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**306,948**	**316,156**	**325,641**	**335,410**	**345,473**	**355,837**	**366,512**	**377,507**	**388,833**	**400,498**
Administration												
Advertising and Marketing	3.0%		3,120	3,214	3,310	3,409	3,512	3,617	3,725	3,837	3,952	4,071
Office Expenses	3.0%		44,907	46,254	47,642	49,071	50,543	52,060	53,621	55,230	56,887	58,593
Office Rent	3.0%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.0%		2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
Audit Expense	3.0%		27,050	27,862	28,697	29,558	30,445	31,358	32,299	33,268	34,266	35,294
Bookkeeping/Accounting Services	3.0%		-	-	-	-	-	-	-	-	-	-
Bad Debts	3.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses			**77,577**	**79,904**	**82,301**	**84,770**	**87,314**	**89,933**	**92,631**	**95,410**	**98,272**	**101,220**
Utilities												
Electricity	3.0%		46,117	47,501	48,926	50,393	51,905	53,462	55,066	56,718	58,420	60,172
Water	3.0%		67,600	69,628	71,717	73,868	76,084	78,367	80,718	83,139	85,634	88,203
Gas	3.0%		-	-	-	-	-	-	-	-	-	-
Sewer	3.0%		98,904	101,871	104,927	108,075	111,317	114,657	118,097	121,639	125,289	129,047
Sub-total Utilities			**212,621**	**219,000**	**225,570**	**232,337**	**239,307**	**246,486**	**253,881**	**261,497**	**269,342**	**277,422**
Taxes and Licenses												
Real Estate Taxes	3.0%		2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
Payroll Taxes	3.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.0%		2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
Sub-total Taxes and Licenses			**5,000**	**5,150**	**5,305**	**5,464**	**5,628**	**5,796**	**5,970**	**6,149**	**6,334**	**6,524**
Insurance												
Property and Liability Insurance	3.0%		140,000	144,200	148,526	152,982	157,571	162,298	167,167	172,182	177,348	182,668
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			**140,000**	**144,200**	**148,526**	**152,982**	**157,571**	**162,298**	**167,167**	**172,182**	**177,348**	**182,668**
Maintenance & Repair												
Payroll	3.0%		100,828	103,853	106,968	110,177	113,483	116,887	120,394	124,006	127,726	131,558
Supplies	3.0%		25,640	26,409	27,201	28,018	28,858	29,724	30,616	31,534	32,480	33,454
Contracts	3.0%		73,520	75,726	77,997	80,337	82,747	85,230	87,787	90,420	93,133	95,927
Garbage and Trash Removal	3.0%		48,257	49,705	51,196	52,732	54,314	55,943	57,621	59,350	61,131	62,964
Security Payroll/Contract	3.0%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.0%		19,136	19,710	20,301	20,910	21,538	22,184	22,849	23,535	24,241	24,968
Vehicle and Maintenance Equipment Operation and Repairs	3.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			**267,381**	**275,402**	**283,665**	**292,174**	**300,940**	**309,968**	**319,267**	**328,845**	**338,710**	**348,872**
Supportive Services	3.0%		129,850	133,746	137,758	141,891	146,147	150,532	155,048	159,699	164,490	169,425
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			***1,247,967***	**1,285,532**	**1,324,228**	**1,364,089**	**1,405,151**	**1,447,450**	**1,491,023**	**1,535,908**	**1,582,145**	**1,629,775**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)			***11,449***									
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Replacement Reserve Deposit			53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**1,318,967**	**1,356,532**	**1,395,228**	**1,435,089**	**1,476,151**	**1,518,450**	**1,562,023**	**1,606,908**	**1,653,145**	**1,700,775**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)			***12,101***									
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**294,220**	**288,919**	**283,132**	**276,838**	**270,014**	**262,639**	**254,688**	**246,137**	**236,961**	**227,133**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**
CASH FLOW (NOI minus DEBT SERVICE)			**210,220**	**204,919**	**199,132**	**192,838**	**186,014**	**178,639**	**170,688**	**162,137**	**152,961**	**143,133**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***3.5***	***3.44***	***3.37***	***3.3***	***3.21***	***3.13***	***3.03***	***2.93***	***2.82***	***2.7***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-									
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	25,130	26,010	26,920	27,862	28,837	29,847	30,891	31,972	33,091	34,250
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Payments			-									
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.	-									
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.	-									
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			103,381	57,743	39,993							
TOTAL PAYMENTS PRECEDING MOHCD			**136,011**	***91,253***	***74,413***	***35,362***	***36,337***	***37,347***	***38,391***	***39,472***	***40,591***	***41,750***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**74,209**	**113,666**	**124,719**	**157,476**	**149,677**	**141,292**	**132,297**	**122,665**	**112,369**	**101,383**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:										
Will Project Defer Developer Fee?	***Yes***	2038										
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:	*Def Dev Fee Exceeds Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2025										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			-	(103,381)	(161,124)	(201,117)	(201,117)	(201,117)	(201,117)	(201,117)	(201,117)	(201,117)
	Dist. Soft	ative Deferred Developer Fee Earned	103,381	161,124	201,117	201,117	201,117	201,117	201,117	201,117	201,117	201,117
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Debt Loans*			*DFF > Total!*	*DFF > Total!*	*DFF > Total!*	*DFF > Total!*	*DFF > Total!*	*DFF > Total!*	*DFF > Total!*	*DFF > Total!*	*DFF > Total!*
MOHCD Residual Receipts Amount Due	*39.67%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	29,437	30,060	32,983	41,645	39,583	37,365	34,986	32,439	29,717	26,811
Proposed MOHCD Residual Receipts Amount to Loan Repayment			29,437	30,060	32,983	41,645	39,583	37,365	34,986	32,439	29,717	26,811
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*60.33%*	loans, and HCD residual receipt policy.	44,772	45,718	50,164	63,339	60,202	56,829	53,211	49,337	45,196	40,778
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**44,772**	**45,718**	**50,164**	**63,339**	**60,202**	**56,829**	**53,211**	**49,337**	**45,196**	**40,778**
REMAINDER (Should be zero unless there are distributions below)			**0**	**37,889**	**41,573**	**52,492**	**49,892**	**47,097**	**44,099**	**40,888**	**37,456**	**33,794**
Owner Distributions/Incentive Management Fee			-	37,889	41,573	52,492	49,892	47,097	44,099	40,888	37,456	33,794
Other Distributions/Uses			-									
Final Balance (should be zero)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			-	**53,500**	**107,000**	**160,500**	**214,000**	**267,500**	**321,000**	**374,500**	**428,000**	**481,500**
Replacement Reserve Deposits			**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Interest												
RR Running Balance			**53,500**	**107,000**	**160,500**	**214,000**	**267,500**	**321,000**	**374,500**	**428,000**	**481,500**	**535,000**
		RR Balance/Unit	*$491*	*$982*	*$1,472*	*$1,963*	*$2,454*	*$2,945*	*$3,436*	*$3,927*	*$4,417*	*$4,908*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance				-	-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance				-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-

Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple

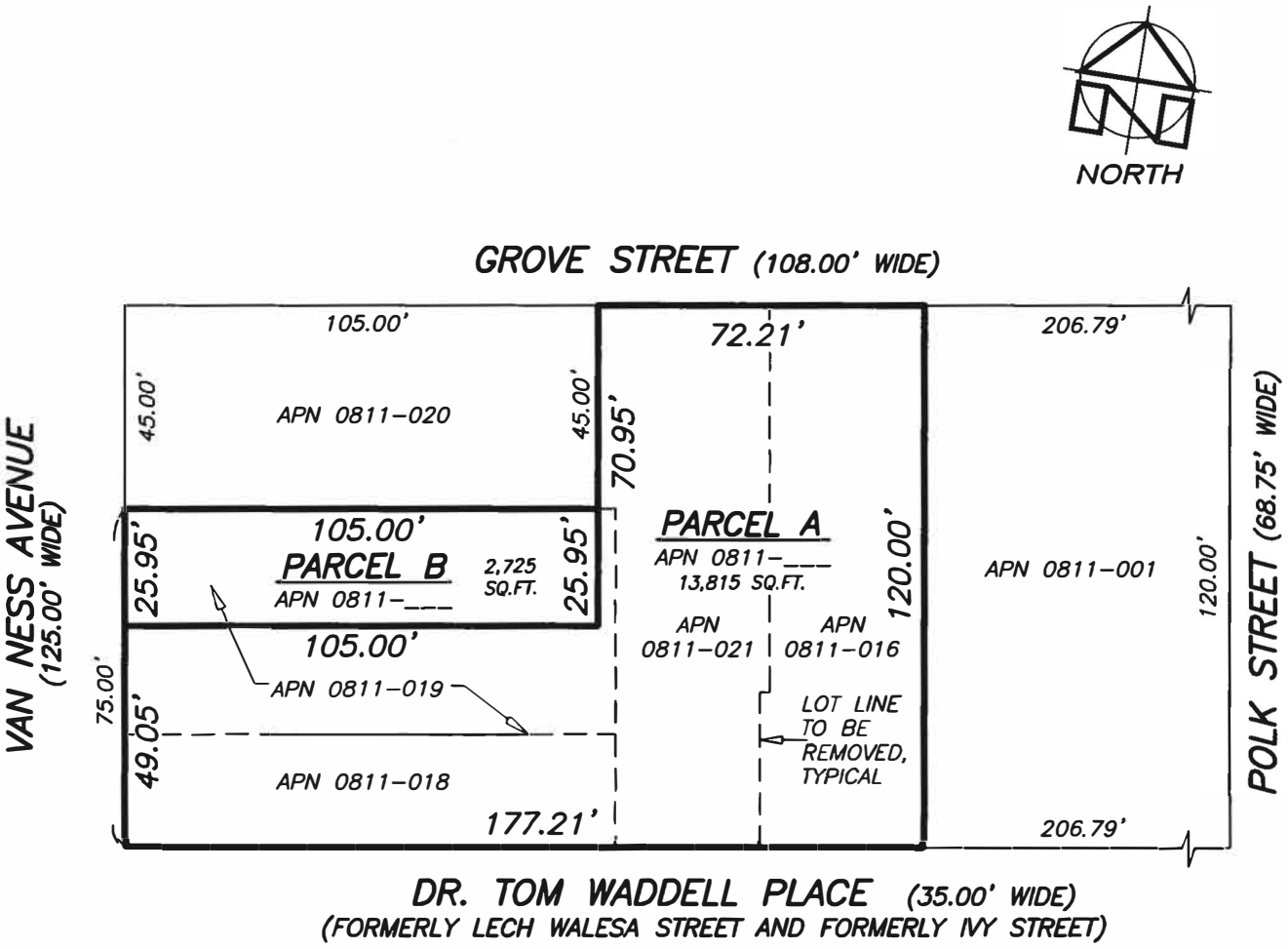
The Kelsey Civic Center

Total # Units: *109*

	% annual increase	Comments (related to annual inc assumptions)	Year 11 2034 Total	Year 12 2035 Total	Year 13 2036 Total	Year 14 2037 Total	Year 15 2038 Total	Year 16 2039 Total	Year 17 2040 Total	Year 18 2041 Total	Year 19 2042 Total	Year 20 2043 Total
INCOME												
Residential - Tenant Rents	2.0%		2,057,960	2,099,119	2,141,102	2,183,924	2,227,602	2,272,154	2,317,597	2,363,949	2,411,228	2,459,453
Residential - Tenant Assistance Payments (Non-LOSP)	n/a											
Commercial Space	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Residential Parking	2.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.0%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.0%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.0%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.0%		8,478	8,648	8,821	8,997	9,177	9,361	9,548	9,739	9,933	10,132
Tenant Charges	2.0%		2,926	2,984	3,044	3,105	3,167	3,230	3,295	3,361	3,428	3,496
Miscellaneous Residential Income	2.0%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable										
Gross Potential Income			**2,069,364**	**2,110,751**	**2,152,966**	**2,196,025**	**2,239,946**	**2,284,745**	**2,330,440**	**2,377,048**	**2,424,589**	**2,473,081**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(102,898)	(104,956)	(107,055)	(109,196)	(111,380)	(113,608)	(115,880)	(118,197)	(120,561)	(122,973)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**1,966,466**	**2,005,795**	**2,045,911**	**2,086,829**	**2,128,566**	**2,171,137**	**2,214,560**	**2,258,851**	**2,304,028**	**2,350,109**
OPERATING EXPENSES												
Management												
Management Fee	3.0%	1st Year to be set according to HUD schedule.	112,163	115,528	118,994	122,564	126,241	130,028	133,929	137,947	142,085	146,348
Asset Management Fee	3.5%	per MOHCD policy	35,448	36,689	37,973	39,302	40,678	42,102	43,575	45,100	46,679	48,312
Sub-total Management Expenses			**147,612**	**152,217**	**156,967**	**161,866**	**166,919**	**172,129**	**177,504**	**183,047**	**188,764**	**194,660**
Salaries/Benefits												
Office Salaries	3.0%		84,828	87,373	89,994	92,694	95,475	98,339	101,289	104,328	107,458	110,681
Manager's Salary	3.0%		110,201	113,507	116,912	120,420	124,032	127,753	131,586	135,534	139,600	143,787
Health Insurance and Other Benefits	3.0%		170,446	175,560	180,826	186,251	191,839	197,594	203,522	209,627	215,916	222,394
Other Salaries/Benefits	3.0%		47,037	48,448	49,902	51,399	52,941	54,529	56,165	57,850	59,585	61,373
Administrative Rent-Free Unit	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**412,512**	**424,888**	**437,634**	**450,763**	**464,286**	**478,215**	**492,561**	**507,338**	**522,558**	**538,235**
Administration												
Advertising and Marketing	3.0%		4,193	4,319	4,448	4,582	4,719	4,861	5,007	5,157	5,312	5,471
Office Expenses	3.0%		60,351	62,162	64,027	65,947	67,926	69,964	72,063	74,224	76,451	78,745
Office Rent	3.0%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.0%		3,360	3,461	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,384
Audit Expense	3.0%		36,353	37,444	38,567	39,724	40,916	42,143	43,407	44,710	46,051	47,432
Bookkeeping/Accounting Services	3.0%		-	-	-	-	-	-	-	-	-	-
Bad Debts	3.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses			**104,257**	**107,385**	**110,606**	**113,924**	**117,342**	**120,862**	**124,488**	**128,223**	**132,070**	**136,032**
Utilities												
Electricity	3.0%		61,977	63,837	65,752	67,724	69,756	71,849	74,004	76,224	78,511	80,866
Water	3.0%		90,849	93,574	96,381	99,273	102,251	105,319	108,478	111,732	115,084	118,537
Gas	3.0%		-	-	-	-	-	-	-	-	-	-
Sewer	3.0%		132,919	136,906	141,013	145,244	149,601	154,089	158,712	163,473	168,377	173,429
Sub-total Utilities			**285,745**	**294,317**	**303,147**	**312,241**	**321,608**	**331,257**	**341,194**	**351,430**	**361,973**	**372,832**
Taxes and Licenses												
Real Estate Taxes	3.0%		3,360	3,461	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,384
Payroll Taxes	3.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.0%		3,360	3,461	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,384
Sub-total Taxes and Licenses			**6,720**	**6,921**	**7,129**	**7,343**	**7,563**	**7,790**	**8,024**	**8,264**	**8,512**	**8,768**
Insurance												
Property and Liability Insurance	3.0%		188,148	193,793	199,607	205,595	211,763	218,115	224,659	231,399	238,341	245,491
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			**188,148**	**193,793**	**199,607**	**205,595**	**211,763**	**218,115**	**224,659**	**231,399**	**238,341**	**245,491**
Maintenance & Repair												
Payroll	3.0%		135,504	139,570	143,757	148,069	152,511	157,087	161,799	166,653	171,653	176,803
Supplies	3.0%		34,458	35,492	36,557	37,653	38,783	39,946	41,145	42,379	43,650	44,960
Contracts	3.0%		98,805	101,769	104,822	107,967	111,206	114,542	117,978	121,517	125,163	128,918
Garbage and Trash Removal	3.0%		64,853	66,799	68,803	70,867	72,993	75,183	77,438	79,761	82,154	84,619
Security Payroll/Contract	3.0%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.0%		25,717	26,489	27,283	28,102	28,945	29,813	30,708	31,629	32,578	33,555
Vehicle and Maintenance Equipment Operation and Repairs	3.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			**359,338**	**370,118**	**381,221**	**392,658**	**404,438**	**416,571**	**429,068**	**441,940**	**455,198**	**468,854**
Supportive Services	3.0%		174,508	179,743	185,135	190,689	196,410	202,302	208,371	214,622	221,061	227,693
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			**1,678,839**	**1,729,381**	**1,781,446**	**1,835,080**	**1,890,328**	**1,947,242**	**2,005,869**	**2,066,263**	**2,128,477**	**2,192,565**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees			*cells.*									
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Replacement Reserve Deposit			53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**	**71,000**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**1,749,839**	**1,800,381**	**1,852,446**	**1,906,080**	**1,961,328**	**2,018,242**	**2,076,869**	**2,137,263**	**2,199,477**	**2,263,565**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**216,627**	**205,414**	**193,465**	**180,750**	**167,237**	**152,895**	**137,690**	**121,588**	**104,551**	**86,544**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			*cells.*									
Hard Debt - First Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**	**84,000**
CASH FLOW (NOI minus DEBT SERVICE)			**132,627**	**121,414**	**109,465**	**96,750**	**83,237**	**68,895**	**53,690**	**37,588**	**20,551**	**2,544**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		***DSCR:***	***2.58***	***2.45***	***2.3***	***2.15***	***1.99***	***1.82***	***1.64***	***1.45***	***1.24***	***1.03***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			*cells.*									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy										
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	35,448	36,689	37,973	39,302	40,678					
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Payments												
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.										
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.										
Deferred Developer Fee (Enter amt <= Max Fee from row 131)												
TOTAL PAYMENTS PRECEDING MOHCD			***42,948***	***44,189***	***45,473***	***46,802***	***48,178***	***7,500***	***7,500***	***7,500***	***7,500***	***7,500***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**89,678**	**77,225**	**63,991**	**49,947**	**35,059**	**61,395**	**46,190**	**30,088**	**13,051**	**(4,956)**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:										
Will Project Defer Developer Fee?	***Yes***	2038										
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*					
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2025										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			(201,117)	(201,117)	(201,117)	(201,117)	(201,117)					
	Dist. Soft	ative Deferred Developer Fee Earned	201,117	201,117	201,117	201,117	201,117					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Debt Loans*		*DFF > Total!*	*DFF > Total!*	*DFF > Total!*	*DFF > Total!*	*DFF > Total!*					
MOHCD Residual Receipts Amount Due	*39.67%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	23,716	20,422	16,923	13,209	9,272	16,236	12,215	7,957	3,451	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			23,716	20,422	16,923	13,209	9,272	16,236	12,215	7,957	3,451	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*60.33%*	loans, and HCD residual receipt policy.	36,070	31,061	25,738	20,089	14,101	24,694	18,578	12,102	5,249	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**36,070**	**31,061**	**25,738**	**20,089**	**14,101**	**24,694**	**18,578**	**12,102**	**5,249**	**-**
REMAINDER (Should be zero unless there are distributions below)			**29,893**	**25,742**	**21,330**	**16,649**	**11,686**	**20,465**	**15,397**	**10,029**	**4,350**	**-**
Owner Distributions/Incentive Management Fee			29,893	25,742	21,330	16,649	11,686	20,465	15,397	10,029	4,350	-
Other Distributions/Uses												
Final Balance (should be zero)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			**535,000**	**588,500**	**642,000**	**695,500**	**749,000**	**802,500**	**856,000**	**909,500**	**963,000**	**1,016,500**
Replacement Reserve Deposits			**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**	**53,500**
Replacement Reserve Withdrawals (ideally tied to CNA)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Replacement Reserve Interest												
RR Running Balance			**588,500**	**642,000**	**695,500**	**749,000**	**802,500**	**856,000**	**909,500**	**963,000**	**1,016,500**	**1,070,000**
		RR Balance/Unit	*$5,399*	*$5,890*	*$6,381*	*$6,872*	*$7,362*	*$7,853*	*$8,344*	*$8,835*	*$9,326*	*$9,817*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-

Attachment K: Land Exchange

EXHIBIT K



GENERAL NOTES

1. ALL PROPERTY LINE ANGLES ARE 90 DEGREES UNLESS NOTED OTHERWISE.
2. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.

LEGEND

APN	ASSESSOR'S PARCEL NUMBER
━━━	BOUNDARY LINE OF PROPOSED PARCELS A & B
– – –	EXISTING LOT LINE

FINAL CONFIGURATION

ASSESSOR'S BLOCK 0811
SAN FRANCISCO, CALIFORNIA

BY JP CHKD. BR DATE 12-17-20 SCALE 1"=40' SHEET 1 OF 1 JOB NO. S-9956

MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS

859 HARRISON STREET
SAN FRANCISCO, CA. 94107
(415) 543-4500

S-9956_BNDY PLAT.DWG