

**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)

<b>Site Description</b>	
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:	<p>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:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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&amp;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.</p> <p>A full, updated, geotechnical report for the site will be available in early 2021.</p>
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
<ul style="list-style-type: none"> <li>• All-electric zero operational carbon building on-site.</li> </ul>	Required by current code.
<ul style="list-style-type: none"> <li>• Renewable energy and energy storage.</li> </ul>	
<ul style="list-style-type: none"> <li>• 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.</li> </ul>	
<ul style="list-style-type: none"> <li>• 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.</li> </ul>	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:
  - o Use of renewable energy sources and adding infrastructure for on-site energy storage
  - o Use of structural materials that double as finished materials
  - o Use advanced monitoring and display tools to support more energy efficient use
  - o Minimizing transportation emissions during construction phase, and
  - o Use of low-carbon concrete mix for concrete used in the project.
- Project design elements that further the C40 goals, include:
  - o Efficient units that minimize resource waste and support low embodied carbon design complemented by ample community spaces

- o No vehicle parking; one bike parking space for every 2 units, and
- o Inclusion Concierge staff to support residents in transit planning.
- The Project will practice urban regeneration and resiliency through the following methods:
  - o A courtyard garden and green roof supporting biodiversity and urban re-vegetation where neighbors and the community can connect,
  - o Focused ethos and design on interconnectivity and community, fostering a more resilient resident population in the face of natural and human-made disasters, and
  - o 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 McBaine'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. Commercial Space.

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	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
<b>TOTAL</b>	<b>109</b>		<b>23</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>34</b>	<b>42</b>		<b>109</b>
		<i>Disability Set Aside</i>	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<sup>1</sup>,
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

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<sup>1</sup> 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:

<b>Predevelopment Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
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:

<b>Development Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
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.

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

<b>Developer Fee Disbursement Schedule</b>		
<b>Payment Milestone</b>	<b>% of Project Mgmt. Fee</b>	<b>Amount</b>
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		<b>1,100,000</b>
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		<b>\$1,190,000</b>
GP Equity		<b>\$8,921,903</b>
Total Developer Fee		<b>\$11,211,903</b>

6.4. This Request/Phasing Narrative

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 24<sup>th</sup> 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

<b>Unit Type</b>	<b>Proposed Number of Units</b>	<b>Max. % MOHCD AMI</b>	<b>Estimated Net of Utilities Rent</b>
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	
<b>Total Units</b>	<b>109</b>		
<b>Income Average</b>		<b>40% SF AMI</b>	

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.

<b>Operating Proforma</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
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:

<b>Role</b>	<b>Full Time Equivalent</b>
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
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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.

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

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

<b>Financial Description of Proposed Loan - Predevelopment</b>	
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

<b>Financial Description of Proposed Loan – Gap[ (Preliminary)</b>	
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.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

\_\_\_\_\_  
Salvador Menjivar, Deputy Director of Programs  
Department of Homelessness and Supportive Services

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

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

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

### 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. 1<sup>st</sup> 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)

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**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](mailto:salvador.menjivar1@sfgov.org) | 415-308-2843

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## Chavez, Rosanna (MYR)

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**From:** Oerth, Sally (CII)  
**Sent:** Friday, January 22, 2021 1:54 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Blitzler, 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**

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

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## Chavez, Rosanna (MYR)

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**From:** 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](mailto:bridget.katz@sfgov.org)

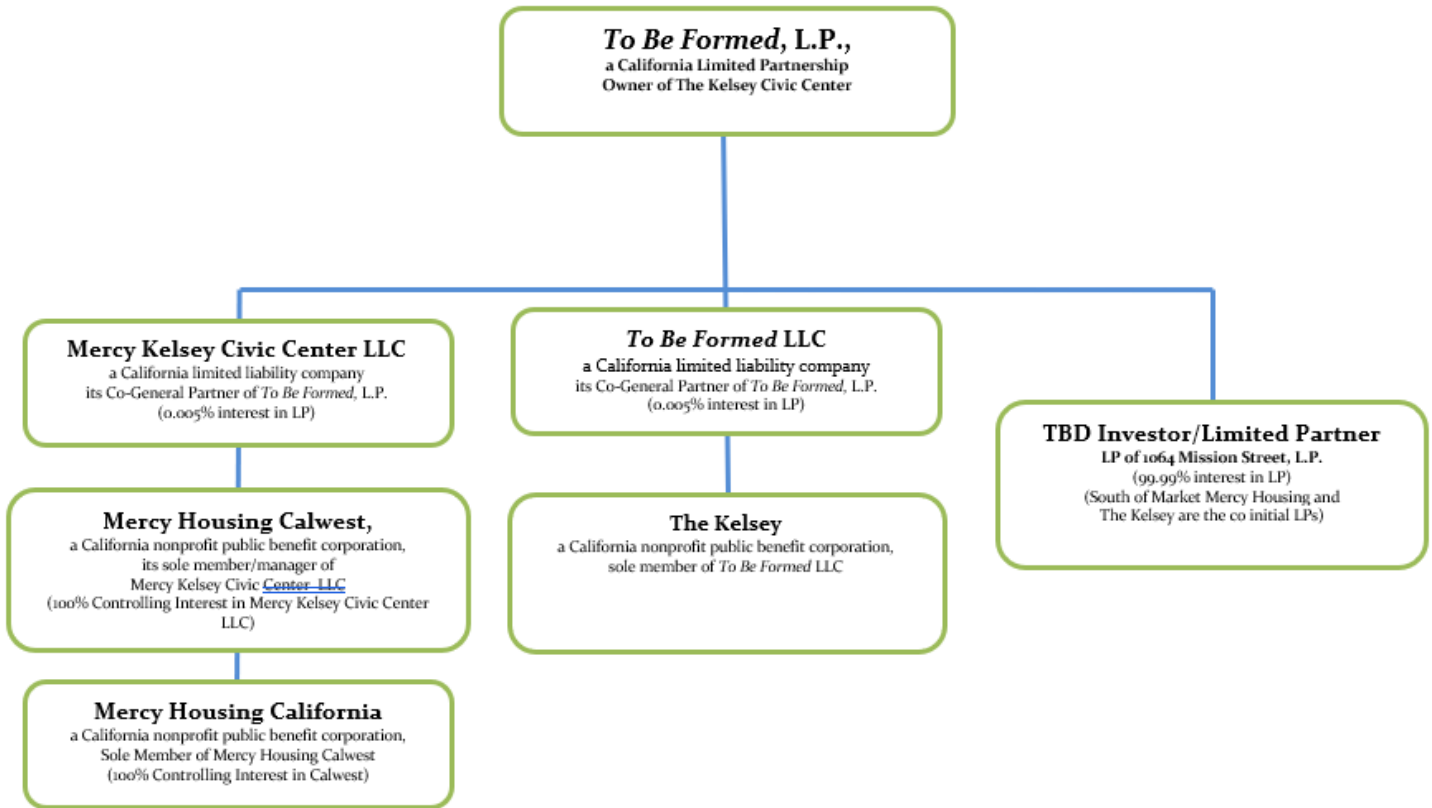
**Attachment A: Project Milestones and Schedule**

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

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

**Attachment B: Borrower Org Chart**

**The Kelsey Civic Center Ownership Structure  
(Anticipated Structure as of December 2020)**



### **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 Atlas 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

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### **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 16<sup>th</sup> Street BART plaza in the Mission District.



**DOUGLAS SHOEMAKER**

President

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**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

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### **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

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### **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 10<sup>th</sup> 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

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### **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

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### **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), 10<sup>th</sup> and Mission Family Housing (136 high rise family units, mixed use), and 9<sup>th</sup> 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

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### **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 permanent 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

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## 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

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## 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](mailto:hienanne@gmail.com) | [linkedin.com/in/annhienbui](https://www.linkedin.com/in/annhienbui)

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## **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

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## **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

Table with columns: Updated 1/18/2021, PROJECTS COMPLETED, Building Square Footage, Total Project Costs, Project Name, Address, Lot sq.ft, Compl. Date, # of Units, # of BR, 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.

Table with columns: PROJECTS UNDER CONSTRUCTION, Building Square Footage, Total Project Costs, Project Name, Address, Lot sq.ft, Compl. Date, # of Units, # of BR, 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.

Table with columns: PROJECTS IN PREDEVELOPMENT, Building Square Footage, Total Project Costs, Project Name, Address, Lot sq.ft, Start Date (anticipated), # of Units, # of BR, 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.

Summary row: 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.

Summary row: SUBJECT PROJECT, 240 Van Ness The Kaise, 18313, Jul-22, 107, 117, 86288, 1349, 87637, 8946, 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.

Table with columns: 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, Soft/unit, Soft/BR, Soft/sq.ft, Gross TDC/unit, Gross TDC/BR, Gross TDC/sq.ft, Subsidy / unit, Leveraging %.

Table with columns: 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, Soft/unit, Soft/BR, Soft/sq.ft, Gross TDC/unit, Gross TDC/BR, Gross TDC/sq.ft, Subsidy / unit, Leveraging %.

Table with columns: 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, Soft/unit, Soft/BR, Soft/sq.ft, Gross TDC/unit, Gross TDC/BR, Gross TDC/sq.ft, Subsidy / unit, Leveraging %.

Summary row: 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!

SOURCES table with columns: SOURCE, Name of Sources, MOHCD/OCII, The Kelsey Dignity Health, The Kelsey Sponsor Loan, Mercy LOC, Total Sources, Comments. Total Sources: 4,421,061

USES

ACQUISITION

Table for ACQUISITION costs including Acquisition cost or value, Legal / Closing costs / Broker's Fee, Holding Costs, Transfer Tax, and TOTAL ACQUISITION: 0

CONSTRUCTION (HARD COSTS)

Table for CONSTRUCTION (HARD COSTS) including Unit Construction/Rehab, Commercial Shell Construction, Demolition, Environmental Remediation, Onsite Improvements/Landscaping, Offsite Improvements, Infrastructure Improvements, Parking, GC Bond Premium/GC Insurance/GC Taxes, GC Overhead & Profit, GC General Conditions, Design Contingency, Bid Contingency, Plan Check Contingency, Hard Cost Construction Contingency, and TOTAL CONSTRUCTION COSTS: 460,430

Construction line item costs as a % of hard costs: 0.0%

SOFT COSTS

Table for SOFT COSTS including Architecture & Design, Engineering & Environmental Studies, Financing Costs, Legal Costs, Other Development Costs, and Soft Cost Contingency. Total Soft Costs: 3,340,548

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

RESERVES

Table for RESERVES including Operating Reserves, Replacement Reserves, Tenant Improvements Reserves, and TOTAL RESERVES: 0

DEVELOPER COSTS

Table for DEVELOPER COSTS including Developer Fee - Cash-out Paid at Milestones, Developer Fee - Cash-out At Risk, Commercial Developer Fee, Developer Fee - GP Equity, Developer Fee - Deferred, Development Consultant Fees, and TOTAL DEVELOPER COSTS: 620,083

TOTAL DEVELOPMENT COST

Summary table for TOTAL DEVELOPMENT COST showing Development Cost/Unit by Source and Development Cost/Unit as % of TDC by Source.

Acquisition Cost/Unit by Source

Table for Acquisition Cost/Unit by Source showing Construction Cost (inc Const Contingency)/Unit By Source and Construction Cost (inc Const Contingency)/SF.

\*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.

**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!

SOURCES	2,000,000	1,000,000	600,000	821,061	-	-	Total Sources	4,421,061	Comments
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	
<b>TOTAL ACQUISITION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**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	
Onsite 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	
GC General Conditions								0	
<i>Sub-total Construction Costs</i>	<i>0</i>	<i>0</i>	<i>460,430</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>460,430</i>	
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
<i>Sub-total Construction Contingencies</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<b>TOTAL CONSTRUCTION COSTS</b>	<b>0</b>	<b>0</b>	<b>460,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>460,430</b>	

Construction line item costs as a % of hard costs  
 0.0%  
 0.0%  
 0.0%

**SOFT COSTS**

<b>Architecture &amp; Design</b>									
Architect design fees	1,482,470							1,482,470	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)		481,517						481,517	
Architect Construction Admin								0	
Reimbursables								0	
Additional Services								0	
<i>Sub-total Architect Contract</i>	<i>1,482,470</i>	<i>481,517</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,963,987</i>	
Other Third Party design consultants (not included under Architect contract)		250,000						250,000	Civil Engineering, Joint Trench, Waterproofing, GPR, Universal Design Consultant
<b>Total Architecture &amp; Design</b>	<b>1,732,470</b>	<b>481,517</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,213,987</b>	
<b>Engineering &amp; Environmental Studies</b>									
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
<b>Total Engineering &amp; Environmental Studies</b>	<b>0</b>	<b>176,875</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>176,875</b>	
<b>Financing Costs</b>									
<b>Construction Financing Costs</b>									
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	
<b>Financing + Bank Application Fees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<i>Sub-total Const. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<b>Permanent Financing Costs</b>									
Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<b>Total Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Legal Costs</b>									
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	
<b>Total Legal Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Other Development Costs</b>									
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: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
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	
<b>Total Other Development Costs</b>	<b>63,000</b>	<b>210,911</b>	<b>125,670</b>	<b>246,419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>646,000</b>	
<b>Soft Cost Contingency</b>									
Contingency (Arch, Eng, Fin, Legal, & Other Dev)	179,547	86,930	12,567	24,642	0	0	0	303,686	Should be either 10% or 5% of total soft costs.
<b>TOTAL SOFT COSTS</b>	<b>1,975,017</b>	<b>956,233</b>	<b>138,237</b>	<b>271,061</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,340,548</b>	Total Soft Cost Contingency as % of Total Soft Costs 10.0%

**RESERVES**

Operating Reserves								0	
Replacement Reserves								0	
Tenant Improvements Reserves								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**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								0	
Developer Fee - GP Equity (also show as source)								0	
Developer Fee - Deferred (also show as source)								0	
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)								0	
<b>TOTAL DEVELOPER COSTS</b>	<b>24,983</b>	<b>43,767</b>	<b>1,333</b>	<b>550,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>620,083</b>	

**TOTAL DEVELOPMENT COST**

Development Cost/Unit by Source	2,000,000	1,000,000	600,000	821,061	0	0	0	4,421,061	
Development Cost/Unit as % of TDC by Source	18.349	9.174	5.505	7.533	0	0	0	40.560	
	45.2%	22.6%	13.6%	18.6%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	4,224	0	0	0	0	4,224	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	5.26	0.00	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.

**Attachment I: 1<sup>st</sup> 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	0		-	-
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)	0		-	-
<b>Gross Potential Income</b>	<b>1,697,599</b>			
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%	-	-
<b>EFFECTIVE GROSS INCOME</b>	<b>1,613,187</b>	<b>PUPA: 14,800</b>		

OPERATING EXPENSES				
Management				
Management Fee	83,460	\$65/month according to the HUD 2019 schedule	766	64
Asset Management Fee	25,130		231	-
<b>Sub-total Management Expenses</b>	<b>108,590</b>	<b>PUPA: 996</b>		

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	0		-	-
<b>Sub-total Salaries/Benefits</b>	<b>306,948</b>	<b>PUPA: 2,816</b>		

Administration				
Advertising and Marketing	3,120		29	-
Office Expenses	44,907		412	-
Office Rent	0		-	-
Legal Expense - Property	2,500		23	-
Audit Expense	27,050		248	-
Bookkeeping/Accounting Services	0	Included in audit	-	-
Bad Debts	0		-	-
Miscellaneous	0		-	-
<b>Sub-total Administration Expenses</b>	<b>77,577</b>	<b>PUPA: 712</b>		

Utilities				
Electricity	46,117		423	35
Water	67,600		620	52
Gas	0		-	-
Sewer	98,904		907	76
<b>Sub-total Utilities</b>	<b>212,621</b>	<b>PUPA: 1,951</b>		

Taxes and Licenses				
Real Estate Taxes	2,500		23	-
Payroll Taxes	0		-	-
Miscellaneous Taxes, Licenses and Permits	2,500		23	-
<b>Sub-total Taxes and Licenses</b>	<b>5,000</b>	<b>PUPA: 46</b>		

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	0		-	-
Worker's Compensation	0		-	-
Director's & Officers' Liability Insurance	0		-	-
<b>Sub-total Insurance</b>	<b>140,000</b>	<b>PUPA: 1,284</b>		

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	0		-	-
HVAC Repairs and Maintenance	19,136		176	-
Vehicle and Maintenance Equipment Operation and Repairs	0		-	-
Miscellaneous Operating and Maintenance Expenses	0		-	-
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>267,381</b>	<b>PUPA: 2,453</b>		

<b>Supportive Services</b>	<b>129,850</b>	<b>1 FTE Inclusion Counselor (Resident Services Coordination) and Supplies</b>	<b>1,191</b>	
<b>Commercial Expenses</b>	<b>0</b>	<b>from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%</b>		

**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	0		-	-
Other Required Reserve 1 Deposit	0		-	-
Other Required Reserve 2 Deposit	0		-	-
Required Reserve Deposits, Commercial	0	from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%	-	-
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>71,000</b>	<b>PUPA: 651</b>		

<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>	<b>1,318,967</b>	<b>PUPA: 12,101</b>		
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>294,220</b>	<b>PUPA: 2,699</b>		

DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)				
Hard Debt - First Lender	0			
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len)	84,000	HCD AHSC		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0			
Hard Debt - Fourth Lender	0			
Commercial Hard Debt Service	0	from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%		
<b>TOTAL HARD DEBT SERVICE</b>	<b>84,000</b>	<b>PUPA: 771</b>		

<b>CASH FLOW (NOI minus DEBT SERVICE)</b>	<b>210,220</b>			
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>	<b>3.50</b>			

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	0			
Partnership Management Fee (see policy for limits)	25,130			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	7,500			
Other Payments	0			
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0			
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0			
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	103,381	Def. Develop. Fee split: 58%		
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>136,011</b>	<b>Deferred Developer Fee exceeds annual limit</b>	<b>PUPA: 1,248</b>	

<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>	<b>74,209</b>			
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Residual Receipts Calculation				
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	Yes	
Will Project Defeat 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/OClI - Soft Debt Loans	All MOHCD/OClI Loans payable from res. rects	\$13,000,000	39.22%
MOHCD/OClI - 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 repaymt.		

<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>	<b>44,772</b>			
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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			
<b>Total Non-MOHCD Residual Receipts Debt Service</b>	<b>44,772</b>			

<b>REMAINDER (Should be zero unless there are distributions below)</b>	<b>0</b>			
Owner Distributions/Incentive Management Fee	0			
Other Distributions/Uses	0			
<b>Final Balance (should be zero)</b>	<b>0</b>			

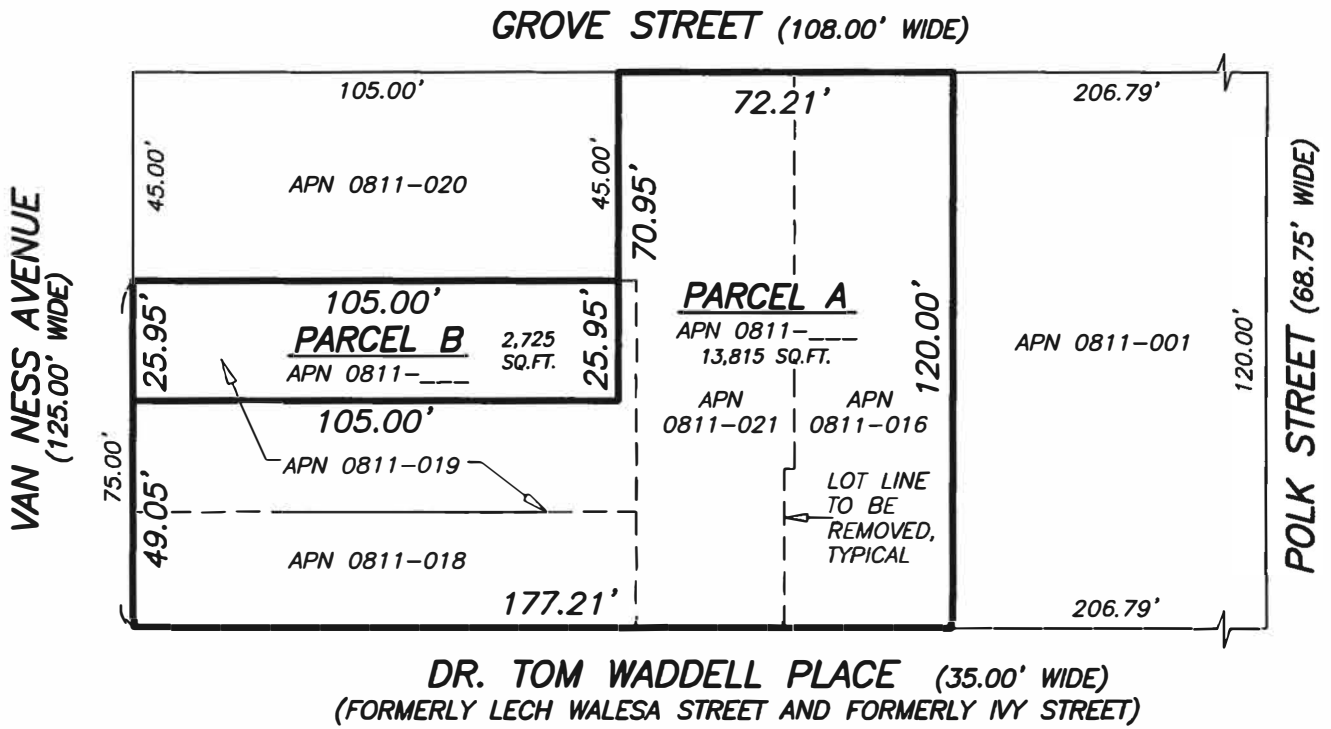
**Attachment J: 20-year Operating Proforma**





**Attachment K: Land Exchange**

# EXHIBIT K



**DR. TOM WADDELL PLACE (35.00' WIDE)**  
 (FORMERLY LECH WALESA STREET AND FORMERLY IVY STREET)

**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