

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

INFORMATIONAL MEMORANDUM

DATE: 2/18/2022
TO: Citywide Affordable Housing Loan Committee
FROM: Jonah Lee
RE: San Francisco Housing Accelerator Fund Loan Amendment |
Extension and Modification to Allow Regional Expansion

1. THIS REQUEST

The Citywide Affordable Housing Loan Committee has previously delegated certain approvals directly to the MOHCD Director to streamline approvals and reduce the administrative burden on staff. Although no Loan Committee approval is required on this matter, staff recommended that this memorandum be presented for informational purposes only.

In 2017, MOHCD approved a \$10 million loan to the San Francisco Housing Accelerator Fund (SFHAF), with the goal of commencing a public-private partnership that advanced the City's affordable housing goals. SFHAF's mission was to raise and generate low-cost, flexible capital and quickly disburse it so that local nonprofits could compete with speculative, market-rate investors and buy buildings that could be preserved as permanent affordable housing. In 2019, MOHCD increased the SFHAF loan value to \$20 million and extended the term to 20 years. SFHAF is now requesting MOHCD approval of a second amendment to the SFHAF-MOHCD loan agreement that would allow SFHAF to use its capital outside of San Francisco. The proposed structure would fully protect MOHCD's investment and restrict all City funds for San Francisco projects only. SFHAF is also requesting that the term again be extended to 20 years from the date of the second amendment approval.

Multiple rationales support SFHAF's request. First, SFHAF has successfully achieved its and MOHCD's goals set forth in 2017: in partnership with MOHCD, SFHAF has committed nearly \$300 million to build or preserve over 1,280 permanently affordable homes. Other municipalities have expressed a desire to bring this model to their communities, and creating more affordable housing throughout the region helps to relieve the pressure San Francisco

faces to be the powerhouse of Bay Area affordable development. Second, an expansion of SFHAF's geography is likely to attract additional capital from benefactors and investors who aren't exclusively focused on San Francisco, thus strengthening SFHAF's balance sheet, which in turn assists SFHAF in San Francisco lending. Finally, SFHAF is proposing language for the second amendment that fully protects MOHCD's \$20 million investment: non-San Francisco loans are capped at \$30 million; any increase to this amount desired by SFHAF must be approved in writing by MOHCD.

With respect to the request for a term increase to 20 years from the amendment execution, SFHAF recently closed an 18-year loan for a local nonprofit (MHDC) seeking to refinance its homeless housing development in the Mission neighborhood. The term extension will enhance SFHAF's ability to make longer term loans of this type in San Francisco, which is particularly important given the many challenges facing preservation projects today -chief among them, the inability to access tax-exempt bond financing from CDLAC.

MOHCD staff recommends approval of the request. See **Attachment A —2016 Approved Loan Committee Evaluation** and **Attachment B -- 2019 Approved Loan Amendment** for additional context on the SFHAF-MOHCD loan.

2. BACKGROUND & STATUS OF EXISTING LOAN

On April 17, 2017, the Mayor's Office of Housing and Community Development (MOHCD) originated a \$10 million, 0% interest loan to support the launch of the SFHAF, a newly created entity designed to strategically and quickly intervene and facilitate the construction and preservation of affordable housing. Based on SFHAF's track record, in October 2019, this Committee approved a \$10 million upsize and extension of the SFHAF loan term to 20 years.

Since its launch, the SFHAF has grown to become an integral partner in executing on the City's vision of tackling the housing affordability crisis. As was originally envisioned, SFHAF's fast-acting capital can compete in a market where new and existing affordable units are being lost to market rate development and speculation, and other public capital is either already programmed for other uses or unable to be deployed quickly enough to respond to opportunities. SFHAF continues to accelerate MOHCD's pipeline of development by filling a critical pre-construction financing and capacity gap. SFHAF also expands the amount of available capital for affordable housing in San Francisco by leveraging the City's investment with additional private and philanthropic loans and grants.

The City's \$20 million loan provided a platform for SFHAF working in coordination with the Mayor's Office to raise a total of \$215 million in additional outside investment to support its core lending activities, plus an additional \$50M through its Tipping Point partnership. SFHAF has already made more than \$250 million in loans, revolving its available capital to provide project sponsors with the fast-acting bridge financing necessary to acquire multifamily residential sites and prevent the displacement of low-income San Franciscans. The SFHAF's Core Lending activities includes:

- Providing an acquisition, predevelopment, and rehabilitation loan product designed to provide early-stage financing for 5-25 unit properties anticipated to qualify for take-out financing from MOHCD’s Small Sites Program (SSP) and Preservation and Seismic Safety Program (PASS);
- Providing an acquisition, predevelopment, and rehabilitation loan product for properties that will be converted to cooperative housing for individuals living with mental health and substance use challenges, and anticipated to qualify for take-out funding and operating and services subsidies from the City’s Cooperative Living for Mental Health (CLMH) program.
- Providing a similar acquisition, predevelopment, and rehabilitation loan product for larger, 25+ unit properties (“Big Sites” and Single Room Occupancy Hotels); and
- Providing site acquisition and predevelopment financing for undeveloped sites intended to be developed into affordable housing.

The primary advantage of the SFHAF is the speed and volume in which it can execute. The City’s fastest closing timeline for a Small Sites acquisition is 90-120 days, and many closings take longer. SFHAF is able to close loans in 45-90 days, which allows SSP partners to effectively compete and remove buildings from the speculative market. SFHAF typically provides financing to SSP partners for a period of 12-24 months, bridging to conventional and/or MOHCD permanent financing after construction is complete. SFHAF’s loan originations are made in coordination with MOHCD staff to ensure that affordable housing is preserved and investments conform with the City’s housing goals.

The SFHAF is in good standing with the requirements of its MOHCD Loan, and has successfully fulfilled all loan conditions.

1. LOAN PORTFOLIO

To date, SFHAF’s Core Lending activities have provided financing to 29 projects totaling 1,280 residential units, 25 commercial spaces, and 20 accessory dwelling units, representing over \$250 million in investment. Neighborhoods served by SFHAF investments include the Mission, Chinatown, SoMa, the Tenderloin, the Haight, the Richmond, the Sunset, and the Excelsior. SFHAF has provided loans to several of MOHCD’s key housing partners, including the following organizations:

- BRIDGE Housing (BRIDGE)
- Chinatown Community Development Center (CCDC)
- Mission Economic Development Agency (MEDA)
- San Francisco Housing Development Corporation (SFHDC)
- Tenderloin Neighborhood Development Corporation (TNDC)

See **Attachment B—SFHAF Loan Portfolio & Pipeline** for a complete portfolio and list of potential prospects.

2. CAPITAL STRUCTURE

Since the approval of its 2019 Loan modification, SFHAF has secured several additional capital sources. SFHAF's current capitalization is detailed below:

Senior Secured

- \$100 million revolving credit facility with First Republic Bank. Through this facility, SFHAF pledges a specific loan as collateral in exchange for secured funding subject to an LTV limit (generally 80% of "as is" appraised value). The portion of the loan greater than 80% LTV is funded from SFHAF's Senior Term, Mezzanine, and Subordinate debt capital.
 - **Status:** ~\$65 million is currently drawn or committed to projects in San Francisco.

Senior Term

- \$4,200,000 Senior Term Loan from Amalgamated bank
- \$6,000,000 Senior Term Loan from JPMorgan Chase

Mezzanine

- \$42,860,000 currently committed (\$18,965,000 drawn), including:
 - \$7,000,000, 15 year Mezzanine loan from Commonspirit Health (upsized / extension of \$5,000,000 7 year loan secured at SFHAF launch)
 - \$2,290,000, 10 year Mezzanine loan from The San Francisco Foundation
 - \$8,500,000 PRI from the Crankstart Foundation
 - \$21,250,000 in loans from donor advised funds, through the Home for Good Fund at the San Francisco Foundation
 - \$5,000,000 20 year Mezzanine loan from Hingham Institution for Savings
 - \$1,500,000 Mezzanine loan from UCSF's Anchor Institution

Subordinate

\$20,000,000, 0% 20 year subordinate loan from the City of San Francisco (existing MOHCD loan related to this request)

3. GRANT FUNDING

In addition to the capital structure described above, SFHAF has secured over \$12 million in unrestricted and temporarily restricted grants to the loan fund and to support HAF's operations as well as new program and product development.

4. OTHER INITIATIVES

In addition to its Core Lending activities, SFHAF has expanded its scope of work to include two other key initiative areas, as described below.

Homes for the Homeless Fund and Permanent Supportive Housing

The Homes for the Homeless Fund (HHF) was formed as a partnership between Tipping Point and SFHAF, and is a wholly-owned subsidiary of SFHAF. HHF is a pool of flexible, private capital that can be deployed quickly to develop new housing for individuals experiencing homelessness on a faster and more cost-effective scale. By supporting the land acquisition, pre-development and construction costs upfront, HHF ensures that new housing projects can move with the speed of an “all cash” developer. As a permanent financial structure is established for each project, HHF’s initial capital will be largely returned to the Fund to be redeployed into additional new homeless housing developments.

By pairing philanthropic capital with long-term, local government subsidy, the goal of HHF is to increase the pace of development for supportive housing, while accelerating the construction timeframe and decreasing the per-unit cost of construction. HHF capital can serve as long-term equity and, if needed, permanent capital for individual projects and to fill funding gaps. HHF projects are anticipated to secure significant financing from other sources once completed and as a long-term rental contract is established with the City.

To date, HHF funds have been invested in 3 projects in San Francisco, most notably Tahanan Supportive Housing at 833 Bryant Street in SoMa, which created 145 studio apartments for PSH placements in under 3 years and at a cost of less than \$400,000/unit; residents begin moving in this month (November 2021). HHF funds were also used alongside SFHAF’s other capital to finance the acquisition and conversion to PSH of the Diva and Granada hotels in late 2020, leveraging awards of Homekey funds from the State of California.

For San Francisco’s most recent round of anticipated hotel-to-PSH projects, the City has not needed SFHAF to serve as a bridge lender. Instead, SFHAF has assisted with diligence and pipeline management, facilitated through a professional services contract with the City as well as by additional philanthropic support.

Capacity Building

SFHAF launched and convenes a multi-stakeholder forum (in collaboration with the Council of Community Housing Organizations) called the Housing Preservation Lab (“HPL”) that is designed to help anti-displacement preservation efforts scale citywide. HPL supports this goal in two ways: first, the forum brings together developers, tenant advocacy organizations, funders, and government stakeholders to identify the systemic barriers that prevent preservation from being realized where tenants face the highest risk of displacement. Secondly, HPL provides quarterly skill-building sessions to help nonprofit developers, across all neighborhoods in San Francisco, to develop the capacities necessary to effectively carry out small and large site acquisition, rehab, and ownership.

The City regularly coordinates with HPL to collect feedback on the Small Sites Program, for example leveraging its expertise to draft and release the 2019 Small Sites Program Notice of Funding Availability. More specifically, the group was integral in designing the Capacity Building Grant components of the NOFA. Most recently, SFHAF, working in coordination with HPL participants, conducted and presented an analysis to MOHCD on options to expand preservation

activities to underserved neighborhoods around the City. In addition, this analysis has helped SFHAF identify broader capacity needs within the current nonprofit developer landscape.

In early 2020, HAF secured grant funding from the Crankstart Foundation to launch a working group focused on preserving larger sites (25+ units), such as SROs. This group, 30x30 Affordable Neighborhoods SF, meets monthly for capacity building, shared pipeline management, advocacy, and other mutual support activities. Current participants in the collaborative include: SFHAF, Chinatown Community Development Center (Chinatown CDC), Mission Economic Development Association (MEDA), Tenderloin Neighborhood Development Corporation (TNDC), and Episcopal Community Services of SF (ECS).

5. ORGANIZATIONAL STRUCTURE

Board of Directors

The Directors continue to serve as the fiduciary members of the Fund, responsible for oversight of the Fund’s activities, for ensuring compliance and execution of the Fund’s mission, and for managing the Fund’s long-term financial health and stability. The Board currently has ten members.* At SFHAF’s inception, a minority of Board members were ex-officio representatives from the City and County of San Francisco, including the Directors of the MOHCD and the Office of Public Finance. Subsequently, all representatives from the City and County of San Francisco were transitioned to advisory, non-governing roles on the Board at the City’s direction. Currently, all governing Board members are independent directors. The Board members are:

Name		Office	2021-2022 Board Leadership & Committees			
			Audit	Credit / HHF	Finance	Gov.
Pablo	Bravo					
Ernest	Brown				X	
Anagha	Clifford					X
Rich	Gross			X		X
Nina	Hatvany					X
Brigitt	Jandreau		X	X		
Adhi	Nagraj		X			
Meg	Spriggs	President				X
Lydia	Tan	Secretary		X		
Tyler	Van Gundy	Treasurer		X	X	
			2	4	2	4

*an eleventh member, Katherine deWilde, was recently elected to a term beginning in March 2021.

See **Attachment C—SFHAF Board of Directors** for more information.

Credit Committee Structure

The Credit Committee oversees SFHAF's credit and lending strategies, reviewing internal credit policies, monitoring credit performance, and approving Project Loan requests. All Project Loan requests are approved by the Credit Committee, and any request exceeding \$10 million must be approved by both the Credit Committee and the full Board of Directors. The Credit Committee is required to meet quarterly, but in practice meets monthly and on an ad hoc basis for specific loan requests. The Credit Committee consists of four Board members, and non-voting observers from MOHCD and representatives of the Senior Secured Lenders. The current Credit Committee members are:

- Lydia Tan, Chair of Credit Committee and Board Member
- Rich Gross, Board Member
- Brigitt Jandreau, Board Member
- Tyler Van Gundy, Board Member

Staffing

Since 2016, the SFHAF staff has grown from one staff member to a team of seven. SFHAF also continues to rely on consultants to help achieve certain aspects of its mission. The list of consultants included in the 2016 Loan Approval evaluation is still current, except that the Fund's original contracted accounting firm, Raffa LLC, is now a part of Marcum LLP. See **Attachment D—Borrower Organizational Chart** for more information on the organization's structure.

Community Development Financial Institution Status

In October 2018, SFHAF obtained certification as a Community Development Financial Institution (CDFI). Since becoming a certified CDFI, SFHAF has applied for and received several funding awards from the federal CDFI Fund.

6. RISK AND EXPOSURE

MOHCD staff has identified the following risks associated with the SFHAF loan:

- **Cost of Capital:** As noted in MOHCD's Loan Evaluation dated 10/18/19, which amended the original MOHCD-HAF Loan Agreement, MOHCD's reliance on the HAF to assist in advancing its affordable housing preservation and development goals brings with it risk related to fluctuating costs of capital for the HAF. In 2019, interest rates were high across the industry, and MOHCD noted at the time that a mutual MOHCD and HAF goal was to create ways to bring HAF interest rates down. The HAF achieved that goal, reducing its cost of capital significantly when it secured a revolving loan facility from First Republic Bank in Q1 2020 and raised additional philanthropic capital to dedicate to its loans. The HAF has also revolved its Homes for the Homeless Fund resources, enabling it to make loans as low as 3% on the City's first Homekey transaction. HAF also has brought significant philanthropic capital into the affordable housing system in San Francisco, including capital that allowed for a 2.75% loan to TNDC for 921 Howard and a \$8.5M land contribution to the City at 833 Bryant Street,

among others. Especially with current inflationary pressures, the risk remains that HAF's access to low-cost capital could change over time, but, currently, the HAF has successfully met MOHCD's request to reduce interest costs.

- **Reliance on the City as Permanent Takeout Source:** Again, MOHCD's 2019 Loan Evaluation noted that the HAF's business plan includes a structural weakness to the extent that its bridge loan funding is exclusively tied to MOHCD takeout funds, and the availability of those funds varies from year to year. The current HAF request, to diversify its portfolio by expanding to other Bay Area municipalities, addresses this weakness and will help ensure that the HAF's operations need not stall if MOHCD's funding programs stall. As described above in this memo, the HAF will achieve this diversification while fully protecting MOHCD's investment.
- **HAF Staffing Availability and Capacity:** Expansion of the HAF's business into other municipalities could have the potential for stretching HAF staff thin, to the detriment of MOHCD transactions. However, over the last four years of its operations, the HAF has demonstrated its ability to expand and contract its staffing resources as necessary, depending on work flow. The HAF works closely with development and financial consultants who fully understand MOHCD's programs and requirements. They are therefore able to jump into San Francisco transactions on very short notice and execute the closings efficiently. Since they are under an ongoing contract to the HAF, they will be available to do so again, as needed, for the foreseeable future.

7. STAFF RECOMMENDATIONS

MOHCD staff in conjunction with the City Attorney's Office have reviewed the request and recommend approval of the revised loan agreement allowing SFHAF to proceed with lending up to \$30,000,000 of SFHAF capital outside of San Francisco and extending the existing City loan term to 20 years. The proposed structure fully protects the City's existing \$20,000,000 investment and restricts the use of City funds for San Francisco projects only. SFHAF continues to play a vital role in tackling the housing crisis in San Francisco and is a key partner in furthering the Mayor's Office's affordable housing goals. MOHCD staff will continue working closely with SFHAF to ensure that the risks identified above are mitigated.

Loan/Grant Terms:

1. Loan Amount (unchanged): \$20,000,000
2. Term (extended): 20 years, repayable as a balloon due at maturity
3. Interest Rate (unchanged): 0.00%
4. Reporting (updated): SFHAF staff to continue to provide quarterly and annual reports, and weekly pipeline and portfolio updates to MOHCD staff. Required reporting includes:
 - Within 60 days from the close of each quarter, SFHAF will provide a quarterly investor/lender report with detail on its loan and investment portfolio and financial performance by geography (SF and ex-SF).

- Within 120 days from the close of SFHAF's fiscal year, SFHAF will provide an annual investor/lender report providing detail on its loan and investment portfolio, financial performance and progress with respect to achievement of its mission and purpose by geography (SF and ex-SF). In addition, HAF will provide audited financial statements.
5. Conditions:
- SFHAF will continue to coordinate closely with MOHCD Staff on its Core Lending activities, and provide updates related to its anticipated pipeline and portfolio.

Attachments:

- A. 2019 Approved Loan Committee Modification and 2016 Approved Loan Committee Evaluation
- B. SFHAF Loan Portfolio & Pipeline
- C. SFHAF Board of Directors
- D. Borrower Organizational Chart
- E. Sample SFHAF Term Sheets: Preservation Lending & Vacant Land
- F. Second Amendment to Intercreditor & Second Amendment to MOHCD Loan Agreement

A. 2019 Approved Loan Committee Modification and 2016 Approved Loan Committee Evaluation

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

MEMORANDUM

DATE: October 18, 2019
TO: Citywide Affordable Housing Loan Committee
FROM: Caroline McCormack, Project Manager
RE: \$10 Million Funding Request—San Francisco Housing Accelerator Fund Loan Amendment

1. THIS REQUEST

The San Francisco Housing Accelerator Fund (SFHAF) is requesting MOHCD approval of a \$10 million increase to its existing \$10 million loan. SFHAF also requests MOHCD approval to extend the \$20 million amended loan for a term of 20 years. The proposed MOHCD loan increase and extension will support the SFHAF's capital campaign, reduce capital costs, and improve the availability of SFHAF financing for private-party affordable housing acquisitions and rehabilitations in San Francisco. The proposed loan amendment and capital investment furthers MOHCD's acquisition and preservation goals by supporting the following SFHAF Core Lending activities:

- Leveraging and assembling additional sources of below-market, and philanthropic capital for affordable housing uses
- Providing bridge financing for affordable housing projects in partnership with MOHCD
- Complementing and expanding the City of San Francisco's publicly-funded affordable housing programs

MOHCD staff recommends approval of the request. The proposed source of funds for the loan is the Educational Revenue Augmentation Fund (ERAF). This loan evaluation provides an update on the SFHAF and its Core Lending activities since the origination of the 2017 Loan. See **Attachment A—2016 Approved Loan Committee Evaluation** for context on the original approval.

2. BACKGROUND & STATUS OF EXISTING LOAN

On April 17, 2017, the Mayor's Office of Housing and Community Development (MOHCD) originated a \$10 million, 0% interest loan to support the launch of the SFHAF, a newly created

entity designed to strategically and quickly intervene and facilitate the construction and preservation of affordable housing. In the three years since its launch, the SFHAF has grown to become an integral partner in executing on the City's vision of tackling the housing affordability crisis. As was originally envisioned, SFHAF's fast-acting capital can compete in a market where new and existing affordable units are being lost to market rate development and speculation, and other public capital is either already programmed for other uses or unable to be deployed quickly enough to respond to opportunities. SFHAF continues to accelerate MOHCD's pipeline of development by filling a critical pre-construction financing and capacity gap. SFHAF also expands the amount of available capital for affordable housing in San Francisco by leveraging the City's investment with additional private and philanthropic loans and grants.

The City's original \$10 million loan provided a platform for SFHAF to raise a total of \$77 million in outside investment. SFHAF has already made more than \$100 million in loans, revolving its available capital to provide nonprofits with the fast-acting bridge financing necessary to acquire multifamily residential sites and prevent the displacement of low-income San Franciscans. The SFHAF's Core Lending activities includes:

- Providing an acquisition, predevelopment, and rehabilitation loan product for 5-25 unit properties designed to provide early-stage financing for properties anticipated to qualify for take-out financing from MOHCD's Small Sites Program (SSP);
- Providing a similar acquisition, predevelopment, and rehabilitation loan product for larger, 25+ unit properties ("Big Sites" and Single Room Occupancy Hotels); and
- Providing site acquisition and predevelopment financing for undeveloped sites intended to be developed into affordable housing.

The primary advantage of the SFHAF is the speed and volume in which it can execute. The City's fastest closing timeline for a Small Sites acquisition is 90-120 days, and many closings take longer. SFHAF is able to close loans in 45-90 days, which allows SSP partners to effectively compete and remove buildings from the speculative market. SFHAF typically provides financing to SSP partners for a period of 12-24 months, bridging to conventional and/or MOHCD permanent financing after construction is complete. SFHAF's loan originations are made in coordination with MOHCD staff to ensure that affordable housing is preserved and investments conform with SSP guidelines and programmatic goals.

The SFHAF is in good standing with the requirements of its original 2017 Loan, and has successfully fulfilled the loan conditions, including the following:

- SFHAF must receive a Certificate of Good Standing from the State of CA.
 - **Status:** Received on April 20, 2017.
- SFHAF must establish a bank account and comply with other MOHCD requirements for disbursement of MOHCD funds.
 - **Status:** Upon the closing of the City's investment on April 17, 2017, SFHAF opened an escrow account at U.S. Bank and an operating account at Bank of America. Consistent with MOHCD requirements, City funds are used by SFHAF to finance property acquisition by provision of loans to SFHAF's borrowers. Any balance not used in order to finance property acquisition by SFHAF directly or by SFHAF's borrowers is invested in short-term, liquid securities meeting

investment guidelines approved by the City. Income generated from the return on these investments is used to support SFHAF's operating expenses.

- The SFHAF Board must identify credit committee members.
 - **Status:** The Credit Committee was formed in 2017 and is composed of four SFHAF Board members: Rich Gross, Lydia Tan, Tyler Van Gundy, and Brigitt Jandreau.
- The SFHAF must provide all underwriting conditions and requirements, term sheets, and sample loan documents for review and approval by the Director of MOHCD.
 - **Status:** All underwriting conditions and requirements, term sheets, and sample loan documents have been reviewed by and approved by the Director of MOHCD. Material changes, revisions, or additions to these documents continue to be subject to the review and approval of the Director of MOHCD.

3. LOAN PORTFOLIO

To date, SFHAF's Core Lending activities have provided financing to preserve 14 buildings totaling 400 residential units, 18 commercial spaces, and 15 accessory dwelling units, representing over \$100 million in investment. Neighborhoods served by SFHAF investments include the Mission, Chinatown, the Tenderloin, the Haight, the Richmond, the Sunset, and the Excelsior. SFHAF has provided loans to several of MOHCD's key housing partners, including the following organizations:

- BRIDGE Housing (BRIDGE)
- Chinatown Community Development Center (CCDC)
- Mission Economic Development Agency (MEDA)
- San Francisco Housing Development Corporation (SFHDC)
- Tenderloin Neighborhood Development Corporation (TNDC)

See **Attachment B—SFHAF Loan Portfolio & Pipeline** for a complete portfolio and list of potential prospects.

4. CAPITAL STRUCTURE

Since the approval of its 2017 Loan, SFHAF has secured several additional capital sources, as described below.

Senior Secured

- \$46,200,000 revolving credit facility with Citibank (\$40,000,000) and Beneficial State Bank (\$6,200,000). The origination window for this facility is through April 27, 2020, with the facility fully maturing in April 2024. SFHAF has periodically increased the total size of this facility to fund larger loans in its pipeline. For example, in March 2019 SFHAF increased this facility by \$15 million to fund the acquisition of an 86-unit building in the Tenderloin. As the loans in its portfolio repay, SFHAF has paid down this \$15 million temporary increase.

- **Status:** this facility is currently fully drawn. Discussions to renew and upsize the facility are underway.

Senior Term

- \$3,000,000 Senior Term loan from First Republic Bank, available to be drawn down during a three-year period from the closing date (September 29, 2017). After the three-year period, the loan will amortize over a two-year period.
 - **Status:** SFHAF drew these funds in September 2018.
- \$6,000,000 Senior Term Loan from Amalgamated Bank, (a successor by merger to New Resource Bank), available to be drawn during an 18-month period from the closing date (March 9, 2018). After the funds are fully drawn, the loan will amortize over a five-year schedule.
 - **Status:** SFHAF drew these funds in March 2019.

Mezzanine

- \$5,000,000, 7 year Mezzanine loan from Dignity Health.
- \$2,290,000, 10 year Mezzanine loan from The San Francisco Foundation, of which \$950,000 has been funded and the balance will be funded in the coming months.

Subordinate

\$10,000,000, 0% 20 year subordinate loan from the City of San Francisco (existing MOHCD loan)

5. GRANT FUNDING

In addition to the capital structure described above, SFHAF has secured \$4.6 million in grant funding to support the organization's growth. Grant funding is primarily used to support SFHAF's operations, with some funds supporting specific projects such as SFHAF's impact tracking and reporting, and new program development. Sources of grant funding since the Fund's inception include:

- **FY 2020**
 - Bettye Ferguson Poetz Foundation- \$3 million committed; \$1 million deployed
 - Bank of America- \$40,000
 - DeWilde Family-\$200,000
 - Wells Fargo-\$50,000
 - Chan Zuckerberg Initiative-\$200,000
- **FY 2019**
 - Bank of America - \$20,000
 - Wells Fargo - \$40,000
 - Citibank - \$100,000
 - MUFG - \$15,000

- CDFI TA - \$125,000
- Chan Zuckerberg Initiative - \$50,000
- First Republic Bank - \$15,000
- **FY 2018**
 - MUFG - \$10,000
 - Citibank - \$250,000
- **FY 2017**
 - Hewlett Foundation: \$500,000
 - Bank of America - \$20,000

6. OTHER INITIATIVES

In addition to its Core Lending activities, SFHAF has expanded its scope of work to include two other key initiative areas, as described below.

Homes for the Homeless Fund

The Homes for the Homeless Fund (HHF) was formed as a partnership between Tipping Point and SFHAF, and is a wholly owned subsidiary of SFHAF. HHF is a pool of flexible, private capital that can be deployed quickly to develop new housing for individuals experiencing homelessness on a faster and more cost-effective scale. By supporting the land acquisition, pre-development and construction costs upfront, HHF ensures that new housing projects can move with the speed of an “all cash” developer. As a permanent financial structure is established for each project, HHF’s initial capital will be largely returned to the Fund to be redeployed into additional new homeless housing developments.

By pairing philanthropic capital with long-term, local government subsidy, the goal of HHF is to increase the pace of development for supportive housing, while accelerating the construction timeframe and decreasing the per-unit cost of construction. HHF capital can serve as long-term equity and, if needed, permanent capital for individual projects and to fill funding gaps. Last year, HHF acquired a parking lot located at 833 Bryant Street as the site for its first prototype project. On this site, HHF and its development partners are working to construct 146 units of permanent supportive housing. Funding for this prototype project has already been identified from one of Tipping Point’s philanthropic donors. In addition, the project is anticipated to support significant financing from other sources once completed and as a long-term rental contract is established with the City.

Capacity Building

Together with the Council of Community Housing Organizations (CCHO), SFHAF has launched a multi-stakeholder forum called the Housing Preservation Lab (“HPL”) that is designed to help anti-displacement preservation efforts scale citywide. HPL supports this goal in two ways: first, the forum brings together nonprofit developers, tenant advocacy organizations, funders, and government stakeholders to identify the systemic barriers that prevent preservation from being realized where tenants face the highest risk of displacement. Secondly, HPL provides quarterly skill-building sessions to help nonprofit developers, across all neighborhoods in San Francisco,

to develop the capacities necessary to effectively carry out small and large site acquisition. Current sessions have focused on expanding small site and large site acquisitions to all neighborhoods within the City, identifying the barriers that hinder developers' abilities to expand their acquisition focus, and best practices in site identification and acquisition.

Most recently, SFHAF, working in coordination with HPL participants, began developing and expanding upon ideas to expand preservation activities to underserved neighborhoods around the City. By pooling data from SSP developers regarding their operating costs at the property level, SFHAF has started to quantify developer costs for expanding to neighborhoods, and possibly building types, not currently within their focus areas. In addition, this analysis has helped SFHAF identify broader capacity needs within the current nonprofit developer landscape. The City regularly coordinates with HPL to collect feedback on the Small Sites Program, and most recently leveraged its expertise to draft and release the 2019 Small Sites Program Notice of Funding Availability. More specifically, the group was integral in designing the Capacity Building Grant components of the NOFA.

7. ORGANIZATIONAL STRUCTURE

Board of Directors

The Directors continue to serve as the fiduciary members of the Fund, responsible for oversight of the Fund's activities, for ensuring compliance and execution of the Fund's mission, and for managing the Fund's long-term financial health and stability. The Board currently has seven members. At SFHAF's inception, a minority of Board members were ex-officio representatives from the City and County of San Francisco, including the Directors of the MOHCD and the Office of Public Finance. Subsequently, all representatives from the City and County of San Francisco were transitioned to advisory, non-governing roles on the Board at the City's direction.

Currently, all governing Board members are independent directors. The Board members are:

- Rich Gross, Board President, Credit Committee Member
- Pablo Bravo, Board Treasurer
- Lydia Tan, Board Secretary, Credit Committee Member, Home for the Homeless Fund Investment Committee Member
- Meg Spriggs, Home for the Homeless Fund Investment Committee Member
- Brigitt Jandreau, Credit Committee Member, Homes for the Homeless Fund Investment Committee Member
- Adhi Nagraj, Homes for the Homeless Fund Investment Committee Member
- Tyler Van Gundy, Credit Committee Member

See **Attachment C—SFHAF Board of Directors** for more information.

Credit Committee Structure

The Credit Committee oversees SFHAF's credit and lending strategies, reviewing internal credit policies, monitoring credit performance, and approving Project Loan requests. All Project Loan requests are approved by the Credit Committee, and any request exceeding \$10 million must be approved by both the Credit Committee and the full Board of Directors. The Credit

Committee is required to meet quarterly, but in practice meets monthly and on an ad hoc basis for specific loan requests. The Credit Committee consists of four Board members, and two non-voting observers from MOHCD and a representative of the Senior Secured Lenders. The current Credit Committee members are:

- Lydia Tan, Chair of Credit Committee and Board Member
- Rich Gross, Board Member
- Brigitt Jandreau, Board Member
- Tyler Van Gundy, Board Member

Staffing

Since 2016, the SFHAF staff has grown from one staff member to a team of six. SFHAF also continues to rely on consultants to help achieve certain aspects of its mission. The list of consultants included in the 2016 Loan Approval evaluation is still current. See **Attachment D—Borrower Organizational Chart** for more information on the organization's structure.

Community Development Financial Institution Status

In October 2018, SFHAF obtained certification as a Community Development Financial Institution (CDFI). Moving forward, SFHAF anticipates that this status will open up access to lower cost capital through the U.S. Treasury Department's CDFI fund (See **Section 8** below for more information).

8. RISK AND EXPOSURE

MOHCD staff has identified the following risks associated with the SFHAF loan:

- **Cost of Capital:** SFHAF loans were originally envisioned to be low cost, but in practice, this has not materialized. As an example, on a MEDA acquisition project expected to close at the end of the month, the term sheet interest rate is variable, indexed to 30-day LIBOR plus a 400 bps spread, which currently is 6.22%. (See **attachment E—Sample Term Sheet**). The cost of capital issue is exacerbated by the fact that the majority of SFHAF loan terms have been extended beyond their original maturity dates due to delayed construction timelines, resulting in longer SFHAF loan terms and the need to upsize project interest reserves. As the gap lender, the City bears the cost of these high interest rates at permanent takeout, which means public dollars are going toward absorbing interest carry, and not providing subsidy for new acquisition deals.

Access to new, lower-cost sources of capital is anticipated to reduce SFHAF's cost of capital going forward, and will potentially translate to lower interest rates on SFHAF loans. SFHAF intends to pursue lower cost capital through the following efforts:

- SFHAF has obtained CDFI status and therefore became eligible to apply for low-cost funds available from the U.S. Treasury Department's CDFI Fund. SFHAF is currently awaiting the CDFI Fund's decision with respect to the

current round of Financial Assistance awards, for which SFHAF applied for the first time this year. CDFI status is also making it possible for SFHAF to engage in discussions with a broader range of financial institutions for lower-cost capital. For many financial institutions, obtaining CDFI status is a prerequisite to accessing their funding.

- The approval of this loan request may also facilitate SFHAF's current capital campaign, which is focused on raising additional lower-cost debt and grants from philanthropies, financing institutions, corporate treasuries, and high net worth individuals. MOHCD's investment provides additional credit enhancement to other investors in SFHAF, making it easier for their investments into SFHAF to be underwritten and approved.
- **Reliance on the City as Permanent Takeout Source:** The SFHAF Core Lending Program relies on the City as a takeout source, yet an ongoing and permanent source of financing for acquisition and preservation does not exist in the City of San Francisco. This reality was most evident in Fall 2018, when all SSP specific funds were programmed, and the City was temporarily unable to commit to provide takeout financing for new building acquisitions that SFHAF and its developer partners were considering. Some of those proposed deals were lost to market-rate buyers. While the Small Sites Program now benefits from \$40 million in ERAF funding, and the potential for \$30 million more in funding from the 2019 Housing Bond is on the horizon, SFHAF and MOHCD will have to continue to work together to coordinate on the timing and availability of permanent takeout financing.
- **Expansion to Other Initiatives:** The SFHAF has expanded its portfolio to include other work, such as Homes for Homeless. This expansion increases the organization's overall workload, and potentially spreads the limited resources of its nimble team thin. However, SFHAF has already taken actions to mitigate against this risk by hiring three new staff members in recent months, and continues to retain outside consultants to assist with its initiatives. In addition, SFHAF continues to maintain compliance with all investor reporting requirements, and originate and close new loans consistent with its Core Lending activities.

9. STAFF RECOMMENDATIONS

MOHCD staff recommends approval of both the additional \$10 million in 0% funds and the extension of the amended loan term to 20 years. SFHAF continues to play a vital role in tackling the housing crisis in San Francisco, and is a key partner in furthering the Mayor's Office's affordable housing goals. MOHCD staff will continue working closely with SFHAF to ensure that the risks identified above are mitigated.

Loan/Grant Terms:

1. Amended Loan Amount: \$20,000,000 (inclusive of the recommended \$10,000,000 upside)
2. Term: 20 years, repayable as a balloon due at maturity

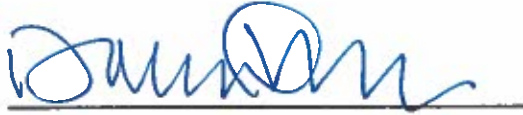
3. Interest Rate: 0.00%
4. Reporting: SFHAF staff to continue to provide quarterly and annual reports, and weekly pipeline and portfolio updates to MOHCD staff. Required reporting includes:
 - Within 60 days from close of each quarter, SFHAF will provide a quarterly investor/lender report with detail on its loan and investment portfolio and financial performance.
 - Within 120 days from close of SFHAF's fiscal year, SFHAF will provide an annual investor/lender report providing detail on its loan and investment portfolio, financial performance and progress with respect to achievement of its mission and purpose. In addition, HAF will provide audited financial statements.
5. Conditions:
 - SFHAF will continue to coordinate closely with MOHCD Staff on its Core Lending activities, and provide updates related to its anticipated pipeline and portfolio.

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

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



Date: 10/10/19

Daniel Adams, Acting Director
Mayor's Office of Housing & Community Development

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



Date: 10/18/19

Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

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



Date: 10/18/19

for Nadia Sesay, Executive Director
Office of Community Investment and Infrastructure

- Attachments:
- A. 2016 Approved Loan Committee Evaluation
 - B. SFHAF Loan Portfolio & Pipeline
 - C. SFHAF Board of Directors
 - D. Borrower Organizational Chart
 - E. Sample SFHAF Term Sheet

Attachment A
2016 Approved Loan Committee Evaluation

See attached.

Citywide Affordable Housing Loan Committee
San Francisco Mayor's Office of Housing and Community Development
Office of Community Investment and Infrastructure
Human Services Agency
Department of Public Health

Evaluation of Request for Funding

NOFA/Program: Housing Fund RFQ

Prepared By: Mara Blitzer

Date prepared: June 6, 2016

Loan Committee Date: June 17, 2016

<i>Grantee:</i>	San Francisco Housing Accelerator Fund
<i>Type of Financing:</i>	Forgivable Loan
<i>Project Names and Addresses:</i>	San Francisco Housing Accelerator Fund, various addresses to be determined
<i>Number of Units/Beds:</i>	TBD
<i>Amount of Funds Requested:</i>	\$10,000,000
<i>Amount of Funds Recommended:</i>	\$10,000,000
<i>Amount Previously Approved:</i>	Not Applicable
<i>Total Amount of Funds:</i>	\$10,000,000
<i>Source of Funds Recommended:</i>	\$5,000,000 General Fund \$2,897,424 "HOPE SF" General Funds \$2,102,576 Housing Trust Fund

1. SUMMARY/BRIEF PROJECT UPDATE

The San Francisco Housing Accelerator Fund (SF-HAF) is requesting a commitment of \$10,000,000 in zero-cost funds to support the SF-HAF activities necessary to successfully raise capital, reduce capital costs, leverage funds, and improve availability of financing for private-party affordable housing acquisitions and repairs in San Francisco. Activities funded through the loan to the SF-HAF will include:

1. Creation of a fund exclusively committed to the San Francisco market.
2. Leveraging below-market capital for affordable housing uses.
3. Working with the City of San Francisco to complement our publicly-funded affordable housing programs.
4. Successfully executing and administering loans.

Staff recommends approval of this request.

2. BACKGROUND

2.1. Project History Leading to This Request.

While the Mayor's Office of Housing and Community Development's (MOHCD) affordable housing financing programs are well-established and currently benefit from deep resources provided through voter action (especially the San Francisco Housing Trust Fund and the 2015 General Obligation Housing Bond ["Proposition A"]) and local exaction requirements (e.g., Affordable Housing Fees, Jobs Housing Linkage Fees), the demand and need for affordable housing exceeds the City's resources. To complement its ongoing efforts, the City has sought to engage a nonprofit lending entity that will put more capital into the City, leverage those outside funds, and make available to private development firms additional resources that the City itself cannot access, such as the U.S. Treasury Department's Community Development Financial Institutions Fund (CDFIF).

Several significant market trends have led up to the establishment in 2016 of the SF-HAF:

- San Francisco's economy is booming, making it an attractive destination for new residents from around the world. Population growth since 1980 (24%) has exceeded housing growth over the same period (19%), and land costs have skyrocketed (122%). The well-documented housing affordability gap that has arisen and expanded in the local housing market makes it a challenge for the City to ensure that economic diversity can be maintained.
- San Francisco has now surpassed New York City for the unfortunate distinction of having the country's most expensive housing market. Individuals and families are increasingly locked out of the local housing market and forced to leave the city and take on increasingly long employment commutes.
- In recent years, the impact of this affordability gap has expanded beyond low- and moderate-income households, which traditionally could benefit from some form of governmental assistance, to affect workforce and middle-income households as well. The result for the city's low- to middle-income residents is often over-crowding, substandard conditions, and/or managing a heavy housing cost burden.
- San Francisco's area median income (AMI) in 2015 is \$71,350 for a single-person household, or \$101,900 for a family of four. While those figures are among the highest in the nation, many households still cannot afford market-rate housing. A studio or one-bedroom that rents for \$1,784 per month is considered affordable to a single person earning San Francisco's average median income, while a monthly rent of \$2,293 is considered an affordable monthly rent for a two-bedroom apartment for a family of three earning the area median income. The chart below summarizes additional affordable rent information over a range of incomes:

Household Size	100% AMI (\$)	Affordable Rent (\$)	120% AMI	Affordable Rent	150% AMI	Affordable Rent	2015 Market Rent (Non-rent-controlled)*
1	71,350	1,784	85,600	2,140	107,050	2,676	2,695 (studio)
2	81,500	2,038	97,800	2,445	122,250	3,056	3,495 (1BR)
3	91,700	2,293	110,050	2,751	137,550	3,439	4,750 (2BR)
4	101,900	2,548	122,300	3,058	152,850	3,821	5,800 (3BR)

*Average available market-rate apartment rent, July 2015, Zumper

- To tackle this critical priority, the City has increased the local sources in its total annual housing budget (which includes local and federal funds) three- to four-fold from the past decade, to an average of \$110 million in the next several years. The housing budget includes several new sources of funding for affordable housing, including the \$310 million housing bond approved by voters in November and a larger Housing Trust Fund. Those local dollars are also able to leverage valuable new funding from the State through its Affordable Housing and Sustainable Communities program.
- The City is currently implementing Mayor Lee's goal to build 30,000 new units of housing by 2020. 4,000 units were built in 2014 alone, with half of these units accessible for the City's workforce and one-third permanently affordable for low-income residents. The speed at which affordable housing is produced is critically relevant, and the City is coupling its housing financing efforts with other process-related changes to facilitate affordable housing's more efficient development.
- The City's housing affordability challenge, in the context of current macroeconomic trends, has highlighted the need to include affordable housing in the City's regular capital planning investment cycle. City policy-makers agree that along with transportation, seismic safety, recreation and park facilities, and streets and roadways, affordable housing production and preservation must benefit from ongoing funding derived from regular bond issuances. This means that the \$310 million housing bond approved in November could, in due course, be followed by subsequent housing bonds.

The Mayor's administration recognizes that alongside additional funding, a new entity that can flexibly and strategically intervene to facilitate the new construction or preservation of affordable housing is also needed. Such an entity—the Housing Accelerator Fund—will help projects get underway in advance of future subsidies becoming available. The Fund will be able to compete in a market where, currently, new and existing affordable units are being lost to market rate development and speculation, and other capital is either already programmed or unable to be deployed quickly enough to respond to opportunities. The Fund can accelerate the pipeline of development by capitalizing on these opportunities and filling a critical pre-construction financing and capacity gap. With a proposed \$50 million initial size at launch, the Fund aims to jumpstart from 500 to 1,000 units of affordable housing for low- to middle-income families by its fifth year.

2.2 Fund Concept Development

The concept for the Fund was developed through the Mayor's Housing Working Group, supplemented by extensive outreach to San Francisco's affordable and mission-driven housing

developer community. This outreach sought to identify ways in which additional affordable housing production could be generated. Two key problems preventing additional affordable housing from being produced were identified:

1. Existing capital for affordable housing development is already programmed. For additional affordable housing to be produced, additional capital is needed.
2. Desirable sites for affordable housing are often lost when developers cannot acquire them quickly enough. Building sites and existing occupied properties may be difficult to acquire quickly due to challenges assembling financing and/or identifying available subsidy sources.

The Fund has been designed to alleviate both of these problems. By assembling new capital within the framework of an independent non-profit aligned with San Francisco's housing priorities, the Fund will expand the pool of resources available for affordable housing development. The Fund will also have the flexibility to intervene rapidly in order to facilitate the acquisition of strategic sites, as either a provider of financing or as the property purchaser or investor.

2.3 Request for Qualifications

The San Francisco Housing Accelerator Fund satisfied the minimum requirements for respondents to the Request for Qualifications for an Existing Non-Profit Loan Fund issued by the MOHCD on April 22, 2016 (the "RFQ"):

- 1) SF-HAF is an independent 501(c)3 lending entity designed expressly to complement San Francisco's affordable housing efforts. Respondent will not rely on the City for ongoing financial support.
- 2) SF-HAF is a fund newly created exclusively for the benefit of San Francisco. Its loan products are designed to be low-cost and will be available only in San Francisco.
- 3) SF-HAF's day-to-day activities are managed by a professional third-party financial advisor, Forsyth Street Advisors LLC ("Forsyth Street"). Forsyth Street has worked extensively with localities across the country—including, among others, New York City, Los Angeles, New Orleans, San Diego, and San Mateo County—to assist with financing opportunities in those cities. Forsyth Street is under contract to SF-HAF for a period not exceeding 12 months from April 22, 2016, the issuance date for the RFQ.
- 4) Through various specialized loan pools it manages, SF-HAF consultant Forsyth Street has successfully executed and administered over 100 loans totaling over \$430 million in loan principal to private parties.
- 5) SF-HAF committed to leveraging San Francisco's \$10 million contribution with substantial other resources.

The SF-HAF was unanimously recommended by the three-person selection committee made up of City of San Francisco staff from OEWD, the Budget Office, and MOHCD.

3. SF-HAF STRUCTURE & OPERATIONS

3.1.1 Background

Throughout its conceptualization, development, and structuring process, the SF-HAF engaged in extensive outreach to a broad set of stakeholders. This outreach was begun by the Mayor's Housing Working Group and continued, starting in 2015, by Forsyth Street and Rich Gross from Enterprise. The purpose of this process was to facilitate the creation of the SF-HAF as a responsive, targeted, and properly contextualized specialty funding vehicle tuned to San Francisco's demographics, housing needs, and existing affordable housing programs. Stakeholders engaged during the outreach process included, among many others:

- Public servants and officials including staff at MOHCD, the Office of Economic and Workforce Development, the Office of the Mayor, and the City Attorney's Office. Staff involved in the process included individuals responsible for existing housing subsidy programs, demographic and real estate asset analytics, housing policy, and related legal matters.
- Non-profit and for-profit real estate developers, ranging in size from large to small, including especially developers who are currently active in San Francisco and either focus on, or might be interested in, low-income affordable housing or middle-income housing
- Local, regional, and national philanthropies with a potential programmatic interest in San Francisco housing, including: Dignity Health (\$5M PRI committed), Silicon Valley Community Foundation (\$20k grant committed), Citibank (\$500k grant committed), The San Francisco Foundation (\$950k PRI pending), The William and Flora Hewlett Foundation (\$500k grant pending), The Ford Foundation, JPMorgan Chase & Co. Global Philanthropy, The Kresge Foundation, Living Cities, The John D. and Catherine T. MacArthur Foundation, The Marin Community Foundation, and The David and Lucile Packard Foundation.

The SF-HAF's structure and initial financial products are the outcome of this outreach process. The outreach process has demonstrated that there is a tremendous need for a new, independent, flexible, and low-cost specialty financing vehicle that can help to accelerate the creation and preservation of additional affordable housing. Further, given the great need for additional resources for affordable housing, such a financing vehicle should be structured in a way that it can receive a broad range of capital—from public, private, and philanthropic sources—that might otherwise not be available for housing in San Francisco.

As an initial focus for its lending activities, SF-HAF is creating a new loan product modeled on MOHCD's current Small Sites Program. This loan product would support continued affordability in 5- to 40-unit buildings across San Francisco, and would be highly complementary to MOHCD's existing affordable housing programs. Additionally, SF-HAF will provide low-cost loans for the acquisition of vacant land for affordable housing and preservation of larger existing properties, helping affordable housing developers quickly acquire strategic properties. Over time, Respondent intends to provide, as needed and as feasible, additional targeted and low-cost financial products, including, potentially, resources from the Community Development Financial Institution Fund ("CDFIF"), the California Organized Investment Network ("COIN"), and the Federal Home Loan Bank of San Francisco ("FHLB"). As a top priority, SF-HAF will apply for CDFI certification as soon as it meets the minimum requirements for doing so, which projections show will be end of CY 2016.

3.1.2. SF-HAF Business Plan

SF-HAF will use low-cost debt and equity to leverage "senior" debt. Based upon Forsyth Street's extensive experience and outreach to conventional lenders such as Bank of America, Citi Capital, and JP Morgan Chase, Forsyth Street is confident in the SF-HAF's ability to bring senior capital into the fund once the public and philanthropic loans and grants are secured. The Fund will blend its various forms of capital to create financing products at below-market terms. These BMR terms include the Fund's low projected operating margin of less than 2% (after the initial start-up period). Respondent's financial model is provided as an attachment to these Qualifications.

The Fund will offer an array of products designed to assist a wide range of affordable housing projects. Products will be available for acquisition, predevelopment and light-to-moderate rehabilitation of target properties, and with either debt or equity structures. Initially, the SF-HAF's financing products will include:

For Land Acquisition,

- Real estate-secured loans to developers
- Equity for acquisitions, either directly or in partnership with the acquiring developer

For Predevelopment,

- Lines of credit to developers, secured and unsecured
- Direct payment of predevelopment costs

For Strategic Properties (e.g. SROs and other unique properties) and Existing Large Properties whose affordability is at risk,

- Short- to medium-term real estate-secured loans for acquisition and light-to-substantial rehabilitation of the properties
- Equity for acquisitions, either directly or in partnership with the acquiring developer

For Small to Medium Size Properties,

- Loans for the acquisition and light-to-substantial rehabilitation of the properties
- Equity with which the Fund develops the property on its own

At a later date, the Fund may also seek to provide, for **Middle Income Units**, either in coordination or independently of the City,

- Mezzanine loans for middle income units
- Grants for middle income units

As the SF-HAF launches in Summer 2016, its two principal areas of focus will be:

- (i) Financing for the acquisition and/or predevelopment of sites and existing properties for the new development or preservation of affordable housing
- (ii) Direct acquisition, either independently or through a joint venture, of sites and properties for subsequent development or preservation as affordable housing

3.1.3. SF-HAF Management.

Please see below.

3.1.2.1 Board of Directors

The Directors will be the fiduciary members of the Fund, responsible for oversight of the Fund's activities, for ensuring compliance and execution of the Fund's mission, and for managing the Fund's long term financial health and stability. The Board will have up to 11 members. A minority of Board members will be ex-officio representatives from the City and County of San Francisco, including the Directors of the MOHCD and the Office of Public Finance. A majority of Board members will be independent directors, one of whom is anticipated to be a representative of the Fund's major private capital providers.

The initial Board members are:

Rich Gross, President
Nadia Sesay, Treasurer
Olson Lee, Secretary

For approval of project loans and project investments, the Fund will have a three-person Credit Committee. It is anticipated that the City and the major private capital providers will be represented on the Credit Committee.

3.1.2.2. Consultants

SF-HAF relies on consultants to achieve its mission. Hiring third parties to provide cost-effective, specialized services will save on operating costs compared with hiring in-house staff. SF-HAF anticipates formally enter into contracts with all of the below service providers by fall of 2016

These include:

Program Management and Development

The primary consultant to the SF-HAF is Forsyth Street. Forsyth Street has successfully executed and administered over 100 loans with combined loan principal of over \$430 million.

Forsyth Street is under contract to provide Respondent with program development, operations development, and capital raising services.

Corporate Counsel

Goldfarb & Lipman LLP. Goldfarb & Lipman is an Oakland-based firm with special strengths in affordable housing, real estate, land use, community economic development, employment and municipal law. The firm has extensive experience assisting nonprofit corporations with general corporate governance matters and has assisted a number of clients with receiving funding from the CDFI Fund. The firm is a women-owned enterprise, certified by the Women's Business Enterprise National Council.

Transaction Counsel

Goldfarb and Lipman LLP and McPharlin Sprinkles & Thomas LLP. Respondent has selected both firms to provide transaction legal services. In addition to its general corporate governance experience, a large percentage of Goldfarb & Lipman's work is in the area of affordable housing transactions. The firm represents both lenders and developers, both nonprofit and for profit, and has been contracted by many local governments to draft their affordable housing loan documents. The firm's attorneys have worked extensively with all federal, state, and local government housing

programs. MST, based in San Jose, serves as transaction counsel for the Los Angeles New Generation Fund and other CDFIs and lenders. Representing the lending side of affordable housing and other community development financing has been an area of concentration for MST for the last 20 years.

Fiscal Agent (Accountant)

Raffa, P.C. Established in 1984, Raffa is a women-owned, certified public accounting, consulting and technology firm dedicated to strengthening and supporting the nonprofit sector. The firm delivers an array of accounting and business consulting services to clients across all segments of the nonprofit spectrum. The firm will assist SF-HAF with transition and initial accounting systems setup, monthly accounting services (accounts payable, bank account reconciliations, journal entries, monthly financial statements, and oversight of monthly procedures), and SF-HAF's year-end close. Raffa provides fiscal agent services to the National Community Stabilization Trust.

Auditor

Novogradac & Company LLP. Novogradac provides annual audit services to a significant number of nonprofit clients including community development organizations, community foundations, CDFIs, educational institutions and volunteer and health/welfare organizations, affordable housing developers, and syndicators. The engagement team is based out of the firm's headquarters in San Francisco.

3.1.2.3 Staff

SF-HAF anticipates hiring its first in-house staff member – an Executive Director / Managing Director – in the fall of 2016, and hiring additional staff as needed starting an anticipated 2 years from launch. SF-HAF seeks an executive who can publicly represent, chart an institutional course for, and expand relationships with key stakeholders. Over time, additional staff will be needed to help manage workflow as Respondent's operations expand.

3.1.4 Funding & Capital Structure

SF-HAF Commitments to date:

- 1) Dignity Health, \$5 million
- 2) City Community Development Innovation and Impact Fund, \$500,000
- 3) Silicon Valley Community Foundation, \$20,000

SF-HAF Funding in Progress

- 1) City of San Francisco, \$10 million (this request)
- 2) San Francisco Foundation, \$950,000 (PRI Committee meeting is 6/20/16)
- 3) Bank of America Foundation, \$25,000
- 4) The Hewlett Foundation, \$500,000

With the funding listed above in place, startup financing is largely complete.

3.1.5 Next Steps

1. SF-HAF expects to open the fund in August 2016 and close with MOHCD, Dignity Health, and The San Francisco Foundation sources of capital.

2. SF-HAF will take actions to qualify to apply for CDFI status, including making three loans, by end of 2016.
3. SF-HAF is actively seeking a senior lender and expects to complete an additional closing by end of 2016 that includes the senior lender and other philanthropic funds committed in the fall.

4. STAFF RECOMMENDATIONS

4.1. Proposed Loan/Grant Terms: Forgivable loan, 0% interest.

4.2. Amount: \$10,000,000.

4.3. Reporting: Require annually. Form as determined by MOHCD staff.

4.4. Conditions:

- SF-HAF must receive a Certificate of Good Standing from the State of CA.
- SF-HAF must establish a bank account and comply with other MOHCD requirements for disbursement of MOHCD funds.
- The SF-HAF Board must identify credit committee members.
- The SF-HAF must provide all underwriting conditions and requirements, term sheets, and sample loan documents for review and approval by the Director of MOHCD.


- Forgivable loan sheets - review it

5. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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


APPROVE. DISAPPROVE. TAKE NO ACTION.



Date: 6/17/16

Olson Lee, Director
Mayor's Office of Housing and Community Development

APPROVE. DISAPPROVE. TAKE NO ACTION.



Joyce Crum, Director of Housing and Homeless Programs
Department of Human Services

Date: 6/17/16

APPROVE. DISAPPROVE. TAKE NO ACTION.



Margot Antonetty, Interim Director of Housing and Urban Health
Department of Public Health

Date: 6/17/16

APPROVE. DISAPPROVE. TAKE NO ACTION.



Tiffany Bollee, Executive Director
Office of Community Investment and Infrastructure

Date: 6-17-16

APPROVE. DISAPPROVE. TAKE NO ACTION.

Attachments: Start-up Budget and Financial Projections

San Francisco

DRAFT : Housing Accelerator Fund

Startup Budget

Startup Revenue

City of San Francisco: Phase I - COMMITTED	
City of San Francisco: Phase II	
Chitbank - COMMITTED	
Bank of America - PENDING	
Silicon Valley Community Foundation - COMMITTED	
[Foundation #2]	
[Foundation]	
[Reserved]	

Startup Revenue Total

	Budget
	\$ 100,000
	-
	500,000
	20,000
	20,000
	-
	-
	-
	\$ -
	\$ 640,000

Startup Expenses

Fund Legal / Corporate Counsel	
Investor / Lender Legal Counsel: Initial Capital Raise	
Foundation Legal Counsel	
Real Estate / Transaction Legal Counsel	
Accountant / Fiscal Operations	
Financial Advisor: Phase I	
Financial Advisor: Phase II	
Market Analysis / Broker	
Miscellaneous	

Total Startup Expenses

	\$ 50,000
	50,000
	-
	20,000
	20,000
	100,000
	250,000
	20,000
	\$ 130,000
	\$ 640,000

Surplus / (Deficit)

\$

Date	Year	CT 2015	CT 2017	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
		1	2	3	4	5	6	7	8	9	10	11
		12/31/2015	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026

Balance Sheet Loading

Loan Loss Reserve	2.0%	\$ 200,000	\$ 400,000	\$ 600,000	\$ 904,213	\$ 1,334,213	\$ 1,574,213	\$ 1,797,432	\$ 1,987,432	\$ 1,582,432	\$ 1,581,042	\$ 1,084,000	
Accumulated Loans													
Default	95.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 135,000
Collateral Value	70.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,158	\$ 263,158	\$ 263,158	\$ 263,158	\$ 181,579	\$ 1,184,213
Net Loans		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,729	\$ 184,213	\$ 184,213	\$ 184,213	\$ 184,213	\$ 97,185
Small Sites													
Default	95.0%	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 500,000	\$ 374,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,774,000
Collateral Value	70.0%	\$ -	\$ -	\$ -	\$ 184,213	\$ 184,213	\$ 184,213	\$ 368,421	\$ 263,158	\$ 368,421	\$ 368,421	\$ 368,421	\$ 2,094,717
Net Loans		\$ -	\$ -	\$ -	\$ 65,789	\$ 65,789	\$ 65,789	\$ 131,579	\$ 104,213	\$ 131,579	\$ 131,579	\$ 131,579	\$ 722,644
Preservation Loans													
Default	95.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 794,000
Collateral Value	70.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,213	\$ -	\$ -	\$ -	\$ 794,474
Net Loans		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,789	\$ -	\$ -	\$ -	\$ 552,432
Total Net Loans		\$ -	\$ -	\$ -	\$ 65,789	\$ 65,789	\$ 65,789	\$ 197,348	\$ 197,348	\$ 197,348	\$ 203,158	\$ 144,774	\$ 1,277,405
Equity Investments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual Income Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Date	Year	CT 2010	CT 2011	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
		1	2	3	4	5	6	7	8	9	10	11
		12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026

Assets

Liquid Assets	\$ 16,130,647	\$ 10,164,862	\$ 5,113,973	\$ 5,304,481	\$ 5,649,220	\$ 6,216,014	\$ 7,160,838	\$ 8,184,248	\$ 9,282,494	\$ 10,352,894	\$ 11,405,582	\$ 12,539,979
Loan Loss Reserve (net of leases)	\$ 200,000	\$ 489,000	\$ 600,000	\$ 974,211	\$ 1,314,213	\$ 1,534,213	\$ 1,817,632	\$ 2,167,832	\$ 2,582,812	\$ 3,067,612	\$ 3,614,442	\$ 4,224,589
Total Liquid Assets	\$ 16,330,647	\$ 10,653,862	\$ 5,713,973	\$ 6,278,692	\$ 6,963,433	\$ 7,750,227	\$ 8,978,470	\$ 10,348,080	\$ 11,865,306	\$ 13,420,506	\$ 15,020,024	\$ 16,764,568
Large Preservation	\$ 10,000,000	\$ 20,000,000	\$ 30,000,000	\$ 40,000,000	\$ 50,000,000	\$ 60,000,000	\$ 70,000,000	\$ 80,000,000	\$ 90,000,000	\$ 100,000,000	\$ 110,000,000	\$ 120,000,000
Total Assets	\$ 26,330,647	\$ 30,653,862	\$ 35,423,973	\$ 42,283,384	\$ 49,963,433	\$ 57,750,227	\$ 66,956,940	\$ 77,348,160	\$ 88,865,306	\$ 101,420,506	\$ 115,040,024	\$ 130,000,000

Liabilities

Program Related Investments	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Dignity Health	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000
San Francisco Foundation	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000
Total Program Related Investments	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000	\$ 9,950,000
Sender Debt	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Lender A1	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Lender A2	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Lender B1	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Total Sender Debt	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
Total Liabilities	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000	\$ 39,950,000

Net Assets

Capital from San Francisco Contribution	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Capital from San Francisco Contribution (Retained)	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Capital from TAMFA	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000	\$ 10,500,000
Loan Losses	\$ (119,153)	\$ (215,953)	\$ (30,889)	\$ (65,789)	\$ (10,528)	\$ (65,789)	\$ (197,364)	\$ (894,184)	\$ (704,785)	\$ (1,131,613)	\$ (967,335)	\$ (892,641)
Retained Earnings	\$ 10,380,847	\$ 10,164,862	\$ 10,143,973	\$ 10,304,481	\$ 10,649,220	\$ 11,216,014	\$ 11,970,838	\$ 12,814,248	\$ 13,760,812	\$ 14,718,612	\$ 15,677,142	\$ 16,636,390
Total	\$ 26,330,647	\$ 30,653,862	\$ 35,423,973	\$ 42,283,384	\$ 49,963,433	\$ 57,750,227	\$ 66,956,940	\$ 77,348,160	\$ 88,865,306	\$ 101,420,506	\$ 115,040,024	\$ 130,000,000

Liabilities and Net Assets

Liquidity Ratio (Liquid / Total Assets)	62.0%	33.2%	14.6%	9.6%	7.5%	7.2%	8.3%	8.0%	13.4%	13.8%	13.5%	9.7%
Net Asset / Total Assets	79.4%	33.2%	28.9%	18.7%	14.1%	13.0%	13.7%	12.3%	21.9%	22.6%	23.7%	14.1%
Net Asset (including PFI) / Total Assets	67.0%	66.8%	57.3%	36.8%	27.3%	24.6%	25.3%	21.9%	27.6%	27.6%	27.2%	23.7%
Net Asset (including PFI) / Senior Debt Ratio	163.3%	201.6%	134.3%	58.0%	37.5%	32.6%	31.7%	28.0%	29.2%	30.7%	30.7%	31.0%

SORT FORWARDED

RECEIVED
DATE: 11/17/2015
TIME: 10:45 AM

FROM: [REDACTED]
TO: [REDACTED]

RE: [REDACTED]

ATTN: [REDACTED]

PHONE: [REDACTED]

FAX: [REDACTED]

EMAIL: [REDACTED]

WEBSITE: [REDACTED]

ADDRESS: [REDACTED]

CITY: [REDACTED]

STATE: [REDACTED]

Date	Year	11/17/2015	11/18/2015	11/19/2015	11/20/2015	11/21/2015	11/22/2015	11/23/2015	11/24/2015	11/25/2015	11/26/2015	11/27/2015	Total
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Expenses	Fixed Operations	2.0%											
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Overhead	11/17/2015	11/18/2015	11/19/2015	11/20/2015	11/21/2015	11/22/2015	11/23/2015	11/24/2015	11/25/2015	11/26/2015	11/27/2015	Total
Manufacturing Director	\$ 43,760	\$ 178,840	\$ 181,070	\$ 185,711	\$ 199,435	\$ 193,216	\$ 197,875	\$ 201,020	\$ 205,000	\$ 209,164	\$ 211,210	\$ 2,264,414
View President (Klassen & Henderson)	\$ 20,000	\$ 89,000	\$ 107,000	\$ 106,040	\$ 106,121	\$ 106,411	\$ 106,400	\$ 102,316	\$ 104,809	\$ 107,166	\$ 107,509	\$ 1,165,561
Assistant Production	\$ 9,000	\$ 39,000	\$ 47,000	\$ 46,500	\$ 46,500	\$ 46,500	\$ 46,500	\$ 46,500	\$ 46,500	\$ 46,500	\$ 46,500	\$ 511,000
Administrative Assistant	\$ 50,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 2,200,000
Inventory	\$ 10,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 440,000
Production	\$ 10,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 440,000
Total Fixed Operations	\$ 124,500	\$ 506,840	\$ 515,070	\$ 514,751	\$ 532,460	\$ 526,437	\$ 526,700	\$ 526,316	\$ 526,309	\$ 526,366	\$ 526,319	\$ 5,622,880
Fixed Variable Expenses	\$ 578,500	\$ 2,322,840	\$ 2,349,201	\$ 2,378,577	\$ 2,404,310	\$ 2,428,995	\$ 2,452,972	\$ 2,476,277	\$ 2,498,777	\$ 2,520,519	\$ 2,541,638	\$ 26,663,330

Third Party	11/17/2015	11/18/2015	11/19/2015	11/20/2015	11/21/2015	11/22/2015	11/23/2015	11/24/2015	11/25/2015	11/26/2015	11/27/2015	Total
Financial Advisor - Carpenter & Capital	\$ 85,000	\$ 340,000	\$ 414,616	\$ 424,440	\$ 432,337	\$ 441,181	\$ 450,046	\$ 458,947	\$ 467,866	\$ 476,804	\$ 485,760	\$ 5,172,299
Fixed Operations	\$ 44,000	\$ 180,000	\$ 220,612	\$ 226,612	\$ 232,612	\$ 238,612	\$ 244,612	\$ 250,612	\$ 256,612	\$ 262,612	\$ 268,612	\$ 2,912,000
Legal Expenses & Capital	\$ 20,000	\$ 80,000	\$ 98,000	\$ 100,000	\$ 102,000	\$ 104,000	\$ 106,000	\$ 108,000	\$ 110,000	\$ 112,000	\$ 114,000	\$ 1,250,000
Analysis	\$ 10,000	\$ 40,000	\$ 49,000	\$ 50,000	\$ 51,000	\$ 52,000	\$ 53,000	\$ 54,000	\$ 55,000	\$ 56,000	\$ 57,000	\$ 610,000
Insurance	\$ 15,000	\$ 60,000	\$ 73,616	\$ 75,440	\$ 77,337	\$ 79,241	\$ 81,147	\$ 83,054	\$ 84,960	\$ 86,867	\$ 88,774	\$ 949,299
Total	\$ 140,000	\$ 560,000	\$ 656,244	\$ 670,492	\$ 684,744	\$ 699,000	\$ 713,256	\$ 727,512	\$ 741,768	\$ 756,024	\$ 770,280	\$ 8,133,888

Other	11/17/2015	11/18/2015	11/19/2015	11/20/2015	11/21/2015	11/22/2015	11/23/2015	11/24/2015	11/25/2015	11/26/2015	11/27/2015	Total
Electric Utility Meter	\$ 5,000	\$ 20,000	\$ 24,612	\$ 25,440	\$ 26,268	\$ 27,096	\$ 27,924	\$ 28,752	\$ 29,580	\$ 30,408	\$ 31,236	\$ 337,200
Administrative Expenses	\$ 10,000	\$ 40,000	\$ 49,000	\$ 50,000	\$ 51,000	\$ 52,000	\$ 53,000	\$ 54,000	\$ 55,000	\$ 56,000	\$ 57,000	\$ 610,000
Insurance	\$ 7,500	\$ 30,000	\$ 37,000	\$ 37,500	\$ 38,000	\$ 38,500	\$ 39,000	\$ 39,500	\$ 40,000	\$ 40,500	\$ 41,000	\$ 437,500
Administrative	\$ 15,000	\$ 60,000	\$ 73,616	\$ 75,440	\$ 77,337	\$ 79,241	\$ 81,147	\$ 83,054	\$ 84,960	\$ 86,867	\$ 88,774	\$ 949,299
Administrative Expenses	\$ 2,500	\$ 10,000	\$ 12,308	\$ 12,576	\$ 12,844	\$ 13,112	\$ 13,380	\$ 13,648	\$ 13,916	\$ 14,184	\$ 14,452	\$ 156,736
Other	\$ 1,500	\$ 6,000	\$ 7,368	\$ 7,536	\$ 7,704	\$ 7,872	\$ 8,040	\$ 8,208	\$ 8,376	\$ 8,544	\$ 8,712	\$ 92,400
Total Other	\$ 21,500	\$ 86,000	\$ 106,616	\$ 109,516	\$ 112,416	\$ 115,316	\$ 118,216	\$ 121,116	\$ 124,016	\$ 126,916	\$ 129,816	\$ 1,387,000

Financial Expenses	11/17/2015	11/18/2015	11/19/2015	11/20/2015	11/21/2015	11/22/2015	11/23/2015	11/24/2015	11/25/2015	11/26/2015	11/27/2015	Total
Total Program Related Expenses	\$ 30,000	\$ 120,000	\$ 147,612	\$ 152,440	\$ 157,268	\$ 162,096	\$ 166,924	\$ 171,752	\$ 176,580	\$ 181,408	\$ 186,236	\$ 2,000,000
Total Fixed Expenses	\$ 11,250	\$ 45,000	\$ 55,612	\$ 57,224	\$ 58,836	\$ 60,448	\$ 62,060	\$ 63,672	\$ 65,284	\$ 66,896	\$ 68,508	\$ 740,000
Total Variable Expenses	\$ 18,750	\$ 75,000	\$ 92,000	\$ 95,224	\$ 98,432	\$ 101,640	\$ 104,848	\$ 108,056	\$ 111,264	\$ 114,472	\$ 117,680	\$ 1,260,000

Net Income	11/17/2015	11/18/2015	11/19/2015	11/20/2015	11/21/2015	11/22/2015	11/23/2015	11/24/2015	11/25/2015	11/26/2015	11/27/2015	Total
Net Income	\$ 513,333	\$ 1,866,785	\$ 1,425,309	\$ 2,187,549	\$ 2,408,696	\$ 3,301,945	\$ 3,199,574	\$ 3,340,703	\$ 3,661,251	\$ 3,428,199	\$ 3,491,293	\$ 35,200,000

Net Changes in Line Items Provision	11/17/2015	11/18/2015	11/19/2015	11/20/2015	11/21/2015	11/22/2015	11/23/2015	11/24/2015	11/25/2015	11/26/2015	11/27/2015	Total
Net Changes in Line Items Provision	\$ 280,000	\$ 380,000	\$ 280,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 4,000,000

Bad Debt/Analysis	11/17/2015	11/18/2015	11/19/2015	11/20/2015	11/21/2015	11/22/2015	11/23/2015	11/24/2015	11/25/2015	11/26/2015	11/27/2015	Total
Bad Debt/Analysis	\$ 2,000	\$ 8,000	\$ 9,800	\$ 10,000	\$ 10,200	\$ 10,400	\$ 10,600	\$ 10,800	\$ 11,000	\$ 11,200	\$ 11,400	\$ 125,000
Net Interest Income	\$ 1,000	\$ 4,000	\$ 4,900	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,400	\$ 5,500	\$ 5,600	\$ 5,700	\$ 61,000
Operating Spend	\$ 1,000	\$ 4,000	\$ 4,900	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,400	\$ 5,500	\$ 5,600	\$ 5,700	\$ 63,000

Project	CV 2015
Year	1
Start	12/31/2015
End	12/31/2015

Project	CV 2017	CV 2018	CV 2019	CV 2020	CV 2021	CV 2022	CV 2023	CV 2024	CV 2025	CV 2026
Year	2	2	4	5	6	7	8	9	10	11
Start	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026

REVENUE

Revenue Source	Rate	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Project Interest Revenue												
Land Acquisition	4.50%											5,917,500
Small Sites	4.75%	198,542	712,500	1,187,500	1,662,500	2,137,500	2,612,500	3,087,500	3,562,500	4,037,500	4,512,500	16,414,542
Large Prescriptions	4.50%	138,542	712,500	1,187,500	1,662,500	2,137,500	2,612,500	3,087,500	3,562,500	4,037,500	4,512,500	16,414,542
Total Project Interest Revenue		337,084	1,425,000	2,375,000	3,325,000	4,275,000	5,225,000	6,175,000	7,125,000	8,075,000	9,025,000	32,839,084
Project Operations Fee Revenue												
Land Acquisition	1.75%											567,500
Small Sites	1.50%	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
Large Prescriptions	1.25%	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
Total Project Operations Fee Revenue		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,000,000
Legal Amortization												
	5	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	125,000
Feeby Fee												
Management Fee	1.00%											
Total Project Management Fee												
Medical Recruit Fund												
Management Fee	0.75%											
Total Medical Recruit Management Fee												
Revenue from Side Ventures												
Lease Startup Budget Revenue		74,319	57,000	14,310	42,417	52,474	62,530	74,317	87,445	107,465	116,300	793,012
Total Revenue		394,100	956,000	1,404,420	2,422,867	3,296,224	4,093,692	4,945,404	5,772,865	6,795,535	7,823,974	30,589,578

Date	CT 2004	CT 2012	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
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Large Preservation

	CT 2004	CT 2012	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
New Deposits	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000	\$ -	\$ 18,000,000	\$ -	\$ 18,000,000	\$ -	\$ 5,000,000
New Deposits (P)	\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ -	\$ 0.30	\$ -	\$ 0.25	\$ -	\$ 0.25
Cumulative Deposits	\$ -	\$ -	\$ -	\$ -	\$ 18,000,000	\$ -	\$ 18,000,000	\$ 20,000,000	\$ 20,000,000	\$ 23,000,000	\$ 18,000,000
Cumulative Deposits (P)	\$ -	\$ -	\$ -	\$ -	\$ 0.50	\$ -	\$ 0.50	\$ 1.00	\$ 1.00	\$ 1.25	\$ 1.50

Large Preservation Loan Balances

	CT 2004	CT 2012	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Year Old	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Year Old	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Year Old	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Year Old	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Outstanding Large Preservation Loan Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Loans (P)	\$ -	\$ -	\$ -	\$ -	\$ 0.50	\$ -	\$ 0.50	\$ 1.00	\$ 0.99	\$ 1.24	\$ 0.99

Large Preservation Loan Maturities

	CT 2004	CT 2012	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
3 Year Old	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Year Old	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Large Preservation Maturities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Large Preservation Loan Defaults

	CT 2004	CT 2012	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
Default After 3 Years	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default After 5 Years	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Large Preservation Loan Defaults	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Outstanding Balance Short Loans

	CT 2004	CT 2012	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
Equity Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Investments (P)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Investments (P)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Investments (P)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Middle Income Fund

	CT 2004	CT 2012	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
New Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Investments (P)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Investments (P)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Investments (P)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Outstanding Investments

	CT 2004	CT 2012	CT 2018	CT 2019	CT 2020	CT 2021	CT 2022	CT 2023	CT 2024	CT 2025	CT 2026
Total Portfolio	\$ 10,000,000	\$ 20,000,000	\$ 30,000,000	\$ 50,000,000	\$ 70,000,000	\$ 80,000,000	\$ 79,750,000	\$ 94,250,000	\$ 89,500,000	\$ 89,750,000	\$ 94,525,000
Total Portfolio (P)	2.50	5.00	7.50	10.50	11.50	14.00	11.99	14.71	12.48	14.49	14.77
Weighted Average Interest Rate (Kama Only)	4.75%	4.75%	4.75%	4.75%	6.64%	4.64%	4.83%	4.83%	4.81%	4.64%	4.63%

Date:
 Year:
 Period:

Period	1	2	3	4	5	6	7	8	9	10	11
CR 2016											
CR 2017											
CR 2018											
CR 2019											
CR 2020											
CR 2021											
CR 2022											
CR 2023											
CR 2024											
CR 2025											
CR 2026											
CR 2027											
CR 2028											
CR 2029											
CR 2030											

TOTAL

Land Acquisition

New Obligations (1)
 Cumulative Obligations (2)
 Outstanding Loans (3)

	1	2	3	4	5	6	7	8	9	10	11
New											
1 Year Old											
3 Year Old											
4 Year Old											
5 Year Old											
Total Outstanding Acquisition Loan Balances											
Outstanding Loans (1)											

Land Acquisition Loan Balances

1 Year Old
 3 Year Old
 Total Acquisition Loan Balances

	1	2	3	4	5	6	7	8	9	10	11
1 Year Old											
3 Year Old											
Total Acquisition Loan Balances											

Land Acquisition Loan Defaults

Default After 1 Year
 Default After 3 Years
 Total Land Acquisition Loan Defaults

	1	2	3	4	5	6	7	8	9	10	11
Default After 1 Year											
Default After 3 Years											
Total Land Acquisition Loan Defaults											

Small Sites

New Obligations (1)
 Cumulative Obligations (2)
 Outstanding Loans (3)

	1	2	3	4	5	6	7	8	9	10	11
New											
1 Year Old											
3 Year Old											
4 Year Old											
5 Year Old											
Total Outstanding Preservation Loan Balances											
Outstanding Loans (1)											

Small Sites Loan Balances

1 Year Old
 3 Year Old
 Total Small Sites Loan Balances

	1	2	3	4	5	6	7	8	9	10	11
1 Year Old											
3 Year Old											
Total Small Sites Loan Balances											

Small Sites Loan Defaults

Default After 1 Year
 Default After 3 Years
 Total Small Sites Loan Defaults

	1	2	3	4	5	6	7	8	9	10	11
Default After 1 Year											
Default After 3 Years											
Total Small Sites Loan Defaults											

TOTAL

\$ 45,000,000

\$ 45,000,000

\$ 500,000

\$ 500,000

\$ 100,000

\$ 140,000,000

\$ 140,000,000

\$ 2,350,000

\$ 2,350,000

\$ 2,350,000

San Francisco

DRAFT Fund

Reinvestment Rate

Other Assumptions

Year	1	2	3	4	5	6	7	8	9	10	11
Reinvestment Rate	0.45%	0.540%	0.621%	0.683%	0.751%	0.808%	0.868%	0.912%	0.957%	0.986%	1.016%
Increase	100%	120.0%	138.0%	151.8%	167.0%	179.5%	193.0%	202.6%	212.7%	219.1%	225.7%
	0.0%	20.0%	15.0%	10.0%	10.0%	7.5%	7.5%	5.0%	5.0%	3.0%	3.0%

Balance Sheet Loans

Fund Acquisition	\$	70,000,000
Small Loans	\$	4,000,000
Large Preservation	\$	20,000,000

Avg Loan Size

Fund Acquisition	70,000,000	1.25%
Small Loans	4,000,000	1.50%
Large Preservation	20,000,000	1.25%

Interest Rate

Fund Acquisition	4.50%
Small Loans	4.75%
Large Preservation	4.50%

Fund Products

Equity Fund	\$	5,000,000	1.00%
Middle Income Fund	\$	20,000,000	0.75%

Management Fee

Equity Fund	1.00%
Middle Income Fund	0.75%

Target Return

Equity Fund	5.0%
Middle Income Fund	6.0%

Loan Loss Provision
 Annual Provision for Loan Losses (% of total portfolio)

2.0%

Default Rate
 Total Cumulative Default Rate (10 years)
 Annual Default Rate (10 years)

5.00%
 0.5%

Loan Maturities
 Loans Maturing in Year 3
 Loans Maturing in Year 5
 Total

Acquisition & Long Preservation

Maturity Distribution	0%
Remaining Portfolio	100%

Small Loans

Maturity Distribution	100%
Remaining Portfolio	0%

Distribution of Defaults
 Loans Maturing in Year 3
 Loans Maturing in Year 5

Default Rate

Loans Maturing in Year 3	2.50%
Loans Maturing in Year 5	2.50%
Total	5.00%

Default Rate

Loans Maturing in Year 3	5.0%
Loans Maturing in Year 5	5.0%
Total	10.0%

Effective Default Rate per Year
 Loans Maturing in Year 3
 Loans Maturing in Year 5

2.50%
 2.50%

2.50%
 0.00%

Market Indicators
 Medium Rate on Loans
 Year 3 Reserve Redemption Rate (1 month LIBOR)

2.0%
 8.45%

Total Obligations thru 20 Years

Acquisition Loans (\$)	\$	45,000,000
Acquisition Loans (¢)	\$	2.25
Small Loans (\$)	\$	140,000,000
Small Loans (¢)	\$	35.00
Large Preservation Loans (\$)	\$	25,000,000
Large Preservation Loans (¢)	\$	1.35
Equity Fund Investments	\$	-
Middle Income Fund Investments	\$	-

Default Scenario

Total Loan Obligations	185,000,000
Total Defaults	3,875,000
Collateral Value (Return to Value)	4,879,247
Average Loan Recovery % of Value (net of expenses)	2,855,263

Default Summary

Loan Acquisition Loans	\$	1,000,000
Small Loans	\$	2,150,000
Large Preservation Loans	\$	2,550,000

Loan Summary

Loan Acquisition Loans	\$	796,953
Small Loans	\$	773,664
Large Preservation Loans	\$	1,015,737

Summary

Net Assets in Year 20	\$	14,056,692
10 Year Retained Earnings	\$	4,609,314
Total Paid on Capital (CDT Fund)	\$	-

Attachment B
SFHAF Loan Portfolio & Pipeline

See attached.

Portfolio & Pipeline Summary

As of: 10/3/2019

Sponsor	Address	Neighborhood	Date Closed	Maturity	Project Type	Resi	UNITS Comm	ADUs	Acq. Price	SFHAF Loan	Senior Secured	Balance Sheet
OUTSTANDING PORTFOLIO												
BRIDGE	4840 Mission	Excelsior	6/7/17	6/1/2020	Land	135	0	0	\$9,000,000	\$9,000,000	\$7,800,000	\$1,200,000
MEDA	305 San Carlos	Mission	10/31/17	10/1/2019	SSP	10	2	2	\$4,010,000	\$5,730,987	\$3,208,000	\$2,465,677
MEDA	65-69 Woodward	Mission	1/29/18	10/31/2019	SSP	6	0	0	\$2,000,000	\$3,294,659	\$1,600,000	\$1,664,222
MEDA	654 Capp St	Mission	5/30/18	10/15/2019	SSP	6	0	1	\$2,050,000	\$3,577,812	\$1,640,000	\$1,937,812
CCDC	937 Clay St	Chinatown	7/16/18	10/13/2019	Big Sites	73	3	0	\$10,325,000	\$11,539,312	\$8,260,000	\$3,279,312
TNDC	270 Turk	Tenderloin	3/19/19	3/30/2020	Big Sites	86	0	0	\$18,850,000	\$24,970,264	\$15,080,000	\$9,890,264
CCDC	1535 Jackson	Nob Hill	5/9/19	5/9/21	Big Sites	19	0	11	\$1,600,000	\$7,240,000	\$1,280,000	\$5,960,000
SFHDC	520 Shrader	Haight	5/30/19	11/30/19	SSP	7	0	0	\$3,400,000	\$4,429,284	\$2,720,000	\$1,709,284
MEDA	3544 Taraval	Outer Sunset/ Parkside	9/19/19	12/19/2020	SSP	6	0	0	\$1,640,000	\$2,480,048	\$1,312,000	\$1,168,048
MEDA	3154-3158 Mission	Mission	9/23/19	12/23/2020	SSP	8	2	0	\$6,850,000	\$8,633,332	\$5,480,000	\$3,153,332
OUTSTANDING PORTFOLIO TOTALS						356	7	14	\$59,725,000	\$80,895,698	\$48,380,000	\$32,427,951
REPAID LOANS												
MEDA	60 28th St	Mission	12/15/17	11/30/19	SSP	6	0	0	\$1,590,000	\$2,946,244	\$1,272,000	\$1,644,826
MEDA	1411 Florida	Mission	5/24/17	11/30/19	SSP	6	0	1	\$2,400,000	\$3,628,060	\$1,920,000	\$1,641,360
MEDA	3280 17th St	Mission	1/4/18	11/30/19	SSP	11	5	0	\$7,750,000	\$9,162,595	\$6,200,000	\$2,872,879
MEDA	4830 Mission	Excelsior	7/25/18	11/30/19	SSP	21	6	0	\$12,450,000	\$13,349,940	\$9,960,000	\$3,389,940
REPAID PORTFOLIO TOTALS						44	11	1	\$24,190,000	\$29,086,839	\$19,352,000	\$9,549,005
CUMULATIVE PORTFOLIO						400	18	15	\$83,915,000	\$109,982,537	\$67,732,000	\$41,976,956

SFHAF Portfolio & Pipeline Summary

ACTIVE PIPELINE

Sponsor	Address	Area	Supervisor District	Status	Project Type	Resi	UNITS		Acq. Price	SFHAF Loan	Senior Secured	Balance Sheet	
							Comm	ADUs					
MEDAVSFHDC	369 3rd Ave	Inner Richmond	1	Due Diligence	SSP	12	1	0	\$6,495,000	\$8,203,917	\$5,196,000	\$3,007,917	
MEDA	239 Clayton	NOPA	5	Sponsor in Contract Negotiations	SSP	6	0	2	\$3,000,000	\$5,000,000	\$2,400,000	\$2,600,000	
MEDA	3254-3265 23rd St	Mission	9	Sponsor in Contract Negotiations	SSP	6	5	0	\$2,800,000	\$4,100,000	\$2,240,000	\$1,860,000	
Immediate Needs						3 Projects	24	6	2	\$12,295,000	\$17,303,917	\$9,836,000	\$7,467,917

NEAR-TERM PROSPECTS

Sponsor	Address	Area	Supervisor District	Status	Project Type	Resi	UNITS		Acq. Price	SFHAF Loan	Senior Secured	Balance Sheet	
							Comm	ADUs					
TNDC	629 Post St	Tenderloin	3	Sponsor in Contract Negotiations	SRO	67	0	0	\$15,300,000	\$25,000,000	\$12,240,000	\$12,760,000	
CCDC	1005 Powell	Chinatown	3	Prospect	SRO	62	3	0	\$5,000,000	\$10,000,000	\$4,000,000	\$6,000,000	
ECS	Crosby	Tenderloin	6	Prospect	SRO	84	2	0	TBD	\$13,000,000	--	--	
TNDC	Richmond	Richmond	1	Prospect	SRO	0	0	0	\$10,500,000	TBD	\$6,300,000	--	
TNDC	Sunset	Sunset	4	Prospect	SRO	0	0	0	\$9,500,000	TBD	\$5,700,000	--	
Near-Term (6-12 month) Needs						3 Projects	213	5	0	\$40,300,000	\$48,000,000	\$28,240,000	\$18,760,000

LONG-TERM PROSPECTS

Sponsor	Address	Area	Supervisor District	Status	Project Type	Resi	UNITS		Acq. Price	SFHAF Loan	Senior Secured	Balance Sheet	
							Comm	ADUs					
THC	1049 Market	SOMA	6	Due Diligence	SSP	15	0	0	\$2,400,000	\$4,160,000	\$1,920,000	\$2,240,000	
MEDA	1353 Stevenson	SOMA	6	Prospect	SSP	0	0	0	\$3,000,000	\$3,600,000	\$2,400,000	\$2,880,000	
CCDC	2048 Polk	Nob Hill	3	Prospect	SRO	80	0	0	\$15,000,000	\$21,000,000	\$12,000,000	--	
MEDA	Fruitlandia (3077 24th St)	Mission	9	Prospect	SSP	10	5	0	\$5,900,000	\$8,260,000	\$4,720,000	--	
MEDA	3116 23rd	Mission	9	Prospect	SSP	0	0	0	\$3,400,000	\$4,760,000	\$2,720,000	--	
CCDC / ECS	Kearny + Clay	Chinatown	3	Prospect	SRO	143	9	0	\$10,015,000	\$14,021,000	\$8,012,000	--	
Mercy/ Catholic Charities	Treasure Island S+C	Treasure Island	6	Prospect	Family/ Supportive	138	0	0	TBD	\$7,500,000	TBD	--	
ECS	Broadway Hotel	Nob Hill	3	Prospect	SRO	95	0	0	TBD	TBD	TBD	--	
Minimum Long-Term (1 - 3 year) Needs						8 Projects	481	14	0	\$39,715,000	\$63,301,000	\$31,772,000	\$5,120,000

Attachment C
SFHAF Board of Directors

See attached.

SFHAF Board Bios

Rich Gross

Board President, Credit Committee Member

Mr. Gross is vice president and Northern California market leader for Enterprise Community Partners, Inc. He oversees Enterprise's affordable housing, community development, investment and strategic programs for the San Francisco Bay Area. His work serves the residents of SFHAF's Investment Area, primarily through revitalizing public housing in San Francisco, greening existing affordable housing, working with San Francisco and other Bay Area communities on the foreclosure crisis and initiating investment in new affordable housing. He is on the Board of Directors of both Housing California, a statewide affordable housing advocacy that promotes policies and agendas that affect the people in SFHAF's Investment Area, and Jamestown Community Center, a community organization serving low-income families and youth located in the Mission District in the Investment Area.

Pablo Bravo

Board Treasurer

Mr. Bravo is Vice President of Community Health at Dignity Health, a California-based nonprofit health system serving SFHAF's Investment Area. He is responsible for the overall leadership and management of Dignity Health's community health programs, including managing the Community Investment Program which supports low-income communities with limited financial resources near the system's member hospitals (Dignity has two hospitals in San Francisco county, including Saint Francis Memorial Hospital which serve residents of the Investment Area). Dignity invests in community development, housing, and other quality of life projects in the Investment Area.

Lydia Tan

Board Secretary, Credit Committee Member, Homes for the Homeless Fund Investment Committee Member

Ms. Tan is extensively involved in the local San Francisco non-profit community, including Board positions of the S.H. Cowell Foundation, SPUR and Habitat for Humanity Greater San Francisco. SPUR (the San Francisco Bay Area Planning and Urban Research Association) is based in San Francisco and is a leading civic planning organization dedicated to research, education, and advocacy for urban issues in San Francisco and the Bay Area. The S.H. Cowell Foundation is a San Francisco-based foundation which funds place-based initiatives to achieve positive, lasting change for children and families living in poverty. Habitat for Humanity of Greater San Francisco works to construct and provide affordable housing opportunities to low-income residents of San Francisco.

Meg Spriggs

Homes for the Homeless Fund Investment Committee Member

Ms. Spriggs serves on the Advisory Circle Board to Community Housing Partnership, a nonprofit serving homeless and extremely low-income populations in San Francisco through housing development and supportive services, based in SFHAF's Investment Area and serving its residents. She also serves on the board of directors for the Yerba Buena Center for the Arts, a multi-disciplinary contemporary arts center in San Francisco that works with local community groups across San Francisco and in SFHAF's Investment Area to advocate for culturally healthy and equitable San Francisco. She is also a founding board member and Board Chair of ArtCare, the friends group to the San Francisco Arts Commission, which supports and promotes San Francisco's public and civic art programs, and seeks to enrich cultural life and artistic opportunity and inclusiveness in San Francisco and SFHAF's Investment Area.

Brigitt Jandreau

Homes for the Homeless Fund Investment Committee Member

Ms. Jandreau is Chief Lending Officer at the Corporation for Supportive Housing (CSH). At CSH, Ms. Jandreau oversees all lending and grant making activities for the development of supportive housing. Her work serves low-income people by providing financing for the acquisition and predevelopment of affordable and supportive housing, while also providing her development expertise to developers and nonprofits working to serve low-income communities through the promotion of housing stability, employment, mental and physical health, and reductions in substance abuse. Ms. Jandreau is also a rotating member to the credit committee of the Bay Area Transit Oriented Affordable Housing Loan Fund.

Adhi Nagraj

Homes for the Homeless Fund Investment Committee Member

Mr. Nagraj is a Senior VP at McCormick Baron Salazar and was formerly the San Francisco Director of the SF Bay Area Planning and Urban Research Association (SPUR), a Bay Area civic planning nonprofit that promotes equitable policy development and advocacy across the Bay Area. His work serves the low-income residents of SFHAF's Target Market by actively promoting affordable housing development through better zoning policies and development practices, as well as through the development of ADUs. His work has led to the development of affordable units across SFHAF's Target Market, as well as for policies that make obtaining and securing affordable housing for low-income residents easier.

Tyler Van Gundy

Credit Committee Member

Mr. Van Gundy is currently Senior Vice President at Hunt Companies Inc, a privately-held company that invests in businesses focused in the real estate and infrastructure markets. Prior to his role at Hunt, Mr. Van Gundy had over 9 years of experience structuring and managing investment funds for real estate, affordable housing, energy efficiency, renewable energy, microcredit and primary care development. He specializes in sourcing and combining public, private and philanthropic capital to create efficient investment platforms and products.

Attachment D
Borrower Organizational Chart

See attached.

B. SFHAF Loan Portfolio & Pipeline



**HOUSING
ACCELERATOR
FUND**

Portfolio & Pipeline Summary

As of: 02/11/2022

Sponsor	Address	Neighborhood	Date Closed	Maturity	Project Type	UNITS			Acq. Price	SFHAF Loan	Senior Secured	Balance Sheet
						Resi	Comm	ADUs				
OUTSTANDING PORTFOLIO												
CCDC	1535 Jackson	Nob Hill	5/9/19	10/27/22	Large Site	19	0	11	\$1,600,000	\$7,240,000	\$0	\$7,240,000
MEDA	3154-3158 Mission	Bernal Heights	9/23/19	6/30/22	SSP	8	2	0	\$6,850,000	\$8,924,286	\$0	\$8,924,286
MEDA	239 Clayton	North Panhandle	12/23/19	12/23/22	SSP	6	0	2	\$3,000,000	\$5,069,558	\$1,560,000	\$3,509,558
MEDA	3225 24th St	Mission	1/21/20	1/21/23	SSP	4	0	2	\$2,000,000	\$3,375,064	\$1,270,000	\$2,105,064
MEDA	566 Natoma	South of Market	6/15/20	12/15/22	SSP	5	0	0	\$1,800,000	\$3,269,196	\$1,160,000	\$2,109,196
MEDA	2676-2682 Folsom	Mission	7/23/20	7/23/22	SSP	8	0	2	\$2,590,000	\$5,536,047	\$2,072,000	\$3,464,047
ECS	1000 Sutter	Nob Hill	11/13/20	2/13/23	SRO	214	0	0	\$46,000,000	\$37,185,184	\$0	\$37,185,184
ECS	440 Geary	Nob Hill	12/2/20	6/2/22	Hotel	128	0	0	\$50,000,000	\$32,000,000	\$25,200,000	\$6,800,000
SFHDC	168 Sickles	Oceanview	3/31/21	9/30/22	SSP	12	0	0	\$3,850,000	\$5,653,371	\$3,080,000	\$2,573,371
Conard House	1140-1142 Florida	Mission	7/13/21	1/12/23	CLMH	2	0	0	\$2,300,000	\$3,032,548	\$0	\$3,032,548
Conard House	139-145 Dore St	South of Market	9/9/21	12/8/22	CLMH	6	0	0	\$4,750,000	\$5,591,012	\$3,800,000	\$1,791,012
MHDC	422 Valencia St	Mission	12/6/21	12/5/39	Perm	80	1	0	\$5,512,443	\$9,845,000	\$0	\$9,845,000
NDC/SFHDC	936 Geary	Tenderloin	12/30/21	8/30/23	SSP	31	2	0	\$6,150,000	\$9,868,250	\$4,920,000	\$4,948,250
CCDC	1005 Powell	Chinatown	12/27/21	10/31/23	SRO	64	2	0	\$3,750,000	\$16,094,166	\$0	\$16,094,166
SFHDC	375 14th St	Mission	2/1/22	8/31/23	SSP	16	0	0	\$3,200,000	\$5,891,494	\$2,560,000	\$3,331,494
OUTSTANDING PORTFOLIO TOTALS					15 Projects	603	7	17	\$143,352,443	\$158,575,176	\$45,622,000	\$112,953,176



**HOUSING
ACCELERATOR
FUND**

Sponsor	Address	Neighborhood	Date Closed	Repaid	Project Type	Resi	UNITS		Acq. Price	SFHAF Loan	Senior Secured	Balance Sheet
							Comm	ADUs				
REPAID LOANS												
MEDA	60 28th St	Mission	12/15/17	4/28/19	SSP	6	0	0	\$1,590,000	\$2,946,244	\$1,272,000	\$1,674,244
MEDA	1411 Florida	Mission	5/24/17	7/29/19	SSP	6	0	1	\$2,400,000	\$3,628,060	\$1,920,000	\$1,708,060
MEDA	3280 17th St	Mission	1/4/18	7/29/19	SSP	11	5	0	\$7,750,000	\$9,162,595	\$6,200,000	\$2,962,595
MEDA	4830 Mission	Excelsior	7/25/18	7/29/19	SSP	21	6	0	\$12,450,000	\$13,349,940	\$9,960,000	\$3,389,940
BRIDGE	4840 Mission	Excelsior	6/7/17	10/24/19	Land	135	0	0	\$9,000,000	\$9,000,000	\$7,800,000	\$1,200,000
MEDA	305 San Carlos	Mission	10/31/17	11/1/19	SSP	10	2	2	\$4,010,000	\$5,750,529	\$3,208,000	\$2,542,529
MEDA	65-69 Woodward	Mission	1/29/18	12/12/19	SSP	6	0	0	\$2,000,000	\$3,338,075	\$1,600,000	\$1,738,075
MEDA	654 Capp St	Mission	5/30/18	12/19/19	SSP	6	0	0	\$2,050,000	\$3,577,812	\$1,640,000	\$1,937,812
CCDC	937 Clay St	Chinatown	7/16/18	4/15/20	Large Site	73	3	0	\$10,325,000	\$11,638,015	\$8,260,000	\$3,378,015
SFHDC	520 Shrader	Haight	5/30/19	4/29/20	SSP	7	0	0	\$3,400,000	\$4,429,284	\$2,720,000	\$1,709,284
MEDA	3544 Taraval	Outer Sunset	9/19/19	12/10/20	SSP	6	0	0	\$1,640,000	\$2,480,048	\$1,312,000	\$1,168,048
TNDC	270 Turk	Tenderloin	3/19/19	12/23/20	Large Site	86	0	0	\$18,850,000	\$25,910,264	\$15,080,000	\$10,830,264
MEDA	1382 30th Ave	Sunset	6/4/20	1/27/21	SSP	4	0	0	\$1,480,000	\$1,784,093	\$1,184,000	\$600,093
TNDC	5th & Howard	South of Market	4/23/20	3/30/21	Land	203	0	0	\$7,111,998	\$7,647,351	\$0	\$7,647,351
TNDC	4200 Geary	Richmond	5/13/20	5/14/21	Land	99	0	0	\$10,500,000	\$13,065,000	\$0	\$13,065,000
MEDA	3254-3264 23rd St	Mission	3/17/20	6/16/21	SSP	6	5	0	\$3,050,000	\$4,546,830	\$0	\$4,546,830
MEDA	369 3rd Ave	Richmond	11/1/19	7/26/21	SSP	12	1	0	\$6,495,000	\$8,185,634	\$0	\$8,185,634
MEDA	2260-2262 Mission	Mission	1/30/20	8/10/21	SSP	6	1	0	\$2,325,000	\$3,816,962	\$0	\$3,816,962
REPAID PORTFOLIO TOTALS					18 Projects	703	23	3	\$106,426,998	\$134,256,736	\$62,156,000	\$72,100,736
CUMULATIVE PORTFOLIO					33 Projects	1,306	30	20	\$249,779,441	\$292,831,912	\$107,778,000	\$185,053,912



**HOUSING
ACCELERATOR
FUND**

ACTIVE PIPELINE

Sponsor	Address	Neighborhood	Supervisor District	Status	Project Type	Resi	UNITS Comm	ADUs	Acq. Price	SFHAF Loan	Senior Secured	Balance Sheet
Mercy Housing / HPP	2530 18th St	Mission	10	Due Diligence	Predev	73	0	0	--	\$3,000,000	--	\$3,000,000
SFCLT	1130 Filbert St	Russian Hill	2	Due Diligence	SSP	4	0	0	\$2,400,000	\$3,800,000	\$1,920,000	\$1,880,000
MHDC	1536 Great Hwy	Outer Sunset	4	Due Diligence	SSP	36	0	0	\$9,750,000	\$11,700,000	\$7,800,000	\$3,900,000
NDC/SFHDC	528 Natoma	South of Market	6	Due Diligence	SSP	4	0	0	\$500,000	\$2,300,000	\$400,000	\$1,900,000
JS Co/Conard House	71 Boardman	South of Market	6	Prospect	Predev				--	\$500,000	--	\$500,000
JS Co/Bayview Senior Services	967 Mission	South of Market	6	Prospect	Predev				--	\$500,000	--	\$500,000
THC	1049 Market	South of Market	6	Prospect	SSP	15	0	0	\$2,400,000	\$4,160,000	\$1,920,000	\$2,240,000
Black Cultural Zone	73rd Ave & Foothill Blvd	Oakland	--	Prospect	Predev	120	0	0	--	\$3,000,000	--	\$3,000,000
Active Pipeline Needs					8 Projects	252	0	0	\$15,050,000	\$28,960,000	\$12,040,000	\$16,920,000

C. SFHAF Board of Directors



HOUSING
ACCELERATOR
FUND

**BOARD OF DIRECTORS
FY2022**

Name	Board Office	Current Term Ends
1. Meg Spriggs	President	06/30/2022
2. Lydia Tan	Secretary	06/30/2025
3. Tyler Van Gundy	Treasurer	06/30/2022
4. Pablo Bravo		06/30/2025
5. Ernest Brown		06/30/2025
6. Anagha Clifford		06/30/2025
7. Rich Gross		6/30/2024
8. Nina Hatvany		06/30/2025
9. Brigitt Jandreau		06/30/2022
10. Adhi Nagraj		06/30/2022

Name		Office	2021-2022 Board Leadership & Committees			
			Audit	Credit / HHF	Finance	Gov.
Pablo	Bravo					
Ernest	Brown				X	
Anagha	Clifford					X
Rich	Gross			X		X
Nina	Hatvany					X
Brigitt	Jandreau		X	X		
Adhi	Nagraj		X			
Meg	Spriggs	President				X
Lydia	Tan	Secretary		X		
Tyler	Van Gundy	Treasurer		X	X	
			2	4	2	4

Meg Spriggs, President

Ms. Spriggs is currently the Head of Residential at Lendlease, where she is responsible for ensuring innovative projects are executed at scale for Lendlease's Residential portfolio of circa 15,000 dwellings. Before joining Lendlease, Spriggs was Managing Director at Shorenstein Properties where she led the expansion of a multifamily investments platform overseeing the development and investment in a \$1B urban multifamily portfolio around the U.S. She serves on the Advisory Circle Board to Community Housing Partnership, a nonprofit serving homeless and extremely low-income populations in San Francisco through housing development and supportive services. Ms. Spriggs is a member of the Urban Land Institute, Lambda Alpha International, and the San Francisco Urban Planning and Research Association. She also serves on the board of directors for the Yerba Buena Center for the Arts, a multi-disciplinary contemporary arts center in San Francisco that works with local community groups across San Francisco and in SFHAF's Investment Area to advocate for culturally healthy and equitable San Francisco.

Lydia Tan, Secretary

Ms. Tan is currently an independent consultant, and was most recently the managing director of real estate for Oakland Athletic, leading the Oakland A's efforts to plan and build a new Ballpark District at Howard Terminal and redevelop the Oakland Coliseum. She has also been extensively involved in the San Francisco non-profit community, including Board positions of the S.H. Cowell Foundation, SPUR and Habitat for Humanity Greater San Francisco. The S.H. Cowell Foundation of San Francisco funds place-based initiatives to achieve lasting change for families living in poverty. Habitat for Humanity of Greater San Francisco works to provide affordable housing opportunities to low-income residents. SPUR is based in San Francisco and is a leading civic planning organization dedicated to research, education, and advocacy for urban issues in San Francisco and the Bay Area, especially to affordability for low income people.

Tyler Van Gundy, Treasurer

Tyler Van Gundy currently serves as Senior Vice President for Hunt Companies, Inc. In this role Mr. Van Gundy is responsible for strategic business development and investments, and new partnerships across the full Hunt family of companies. Mr. Van Gundy has over 12 years of experience in real estate and structuring public private partnerships. Prior to joining Hunt, Mr. Van Gundy was Managing Director at Forysth Street Advisors, a boutique financial advisory and investment management firm focused on affordable housing, real estate and renewable energy finance. Mr. Van Gundy received his Bachelors of Arts degree in Music and Psychology from Bard College.

Rich Gross, Founding President Emeritus

Mr. Gross recently retired from his role as vice president and Northern California market leader for Enterprise Community Partners, Inc., a tax credit and affordable housing advocacy organization dedicated to serving low-income people through housing. His work at Enterprised served low-income residents through revitalizing public housing in San Francisco, greening existing affordable housing, working with San Francisco and other Bay Area communities on the foreclosure crisis and initiating investment in new

affordable housing. He led the Northern California effort to coordinate Enterprise solutions with partners and supports efforts to raise more capital for housing for low income populations.

Pablo Bravo

Mr. Bravo is Vice President of Community Health at Dignity Health, a California-based nonprofit health system serving many low-income residents of San Francisco County. He is responsible for the overall leadership of Dignity Health's community health programs, including managing the Community Investment Program which supports low-income communities. Prior to his time at Dignity Health, Pablo was the Fiscal Director for the City and County of San Francisco Department of Mental Health Children Services and Managed Care. Pablo has an M.P.A. from USF. Pablo serves on Boards including Religious Community Investment Fund, and on the Dominican San Rafael's Socially Responsible Investment Committee.

Anagha Dandekar Clifford

Anagha joined the University of California Office of the President - Office of the General Counsel as Senior Counsel for the Business Transactions and Land Use group in June, 2016 with special focus on complex public/private partnership projects. She comes from Wendel, Rosen, Black & Dean where she was a Land Use and Real Estate Partner from 2008. At Wendel, she counseled clients on planning, zoning and environmental laws while creating strategies and relationship building within stakeholder groups to obtain support and approval for complex projects. Prior to this, Anagha was a Law Clerk to Honorable Consuelo Marshall at the U.S. District Court and an Associate at Heller Ehrman.

Anagha received her undergraduate degree from UC Berkeley and law degree from UC Davis School of Law.

Ernest Brown

Ernest works as a Senior Project Manager for Kaiser Permanente where he supports the nonprofit's growth strategy and strategic partnerships. Outside of work, he is an advocate for innovative solutions to the housing shortage and has served on the boards of advocacy organizations such as East Bay for Everyone and YIMBY Action. While maintaining deep ties to Oakland, Ernest recently relocated to his hometown of Atlanta, GA where he graduated from Emory University.

Nina Hatvany

Nina Hatvany is the principal of Team Hatvany, one of San Francisco's most successful real estate agents, and an active investor and manager of rent-controlled multi-unit apartment buildings with experience in designing and adding ADUs to increase the available housing stock in the City. She served for nine years on the board of Larkin Street Youth Services, San Francisco's largest nonprofit provider for young people experiencing homelessness, helping the organization acquire permanent housing for the shelters it provides. She holds a Bachelor of Science degree from Bristol University in England and M.A. and Ph.D degrees from Stanford University, and was a professor in the Graduate School of Business at Columbia University before starting her career in real estate.

Brigitt Jandreau

Ms. Jandreau is Chief Lending Officer at the Corporation for Supportive Housing (CSH). At CSH, Ms. Jandreau oversees all lending and grant making activities for the development of supportive housing. Her work serves low-income people by providing financing for the acquisition and predevelopment of affordable and supportive housing, while also providing her development expertise to developers and nonprofits working to serve low-income communities through the promotion of housing stability, employment, mental and physical health, and reductions in substance abuse. Ms. Jandreau is also a rotating member to the credit committee of the Bay Area Transit Oriented Affordable Housing Loan Fund.

Adhi Nagraj

Mr. Nagraj is the active senior vice president of McCormack Baron Companies, a real estate development firm specializing in economically integrated urban neighborhoods with a focus on affordable and mixed-income housing projects. Previously, Mr. Nagraj was recently named as the San Francisco Director of SPUR. Prior to that, he worked for BRIDGE Housing where, as a Director of Development, he participated in the development of over 1,600 units of affordable housing, including 200 units of affordable housing at San Leandro BART station, and large development projects near BART stations including at MacArthur, Fruitvale, El Cerrito, Balboa Park and Berkeley. He oversaw the refinancing and rehabilitation of seven former public housing buildings through the RAD conversion process, in partnership with the Mayor's office of Housing, which revitalized dilapidated public housing buildings in the Mission, Castro and Bernal Heights and stabilized those at-risk communities. Adhi is also the Chair of the Oakland Planning Commission and was appointed by Governor Brown to serve on the Board of CHPC, a statewide affordable housing finance and policy organization, and had been serving on the Executive Board at SPUR. He is a licensed attorney, and is a graduate of Brown University and Columbia Law School.

D. Borrower Organizational Chart



HOUSING
ACCELERATOR
FUND

The San Francisco Housing Accelerator Fund

Organizational Chart

As of 3/1/2021

Board of Directors

10 members

Advisory Board

Eric Shaw, Mayor's Office of Housing & Community Development

**two other ex-officio seats are currently vacant due to personnel changes, but we expect these will be filled by June 30, 2021*

Executive Director / CEO

Rebecca Foster

Credit Committee

Voting Members: Lydia Tan (Chair), Tyler Van Gundy, Rich Gross, Brigitt Jandreau

CFO

Tamar Dorfman

Chief Lending & Investment Officer

Kate Hartley

VP, Lending & Capital

Justin Chen

Program & Impact Manager

Becca Hutman

Investment & Finance Associate

Ji-Ho Park

Ops & Comms Manager

Kati Vastola

Financial Advisor (Contract)

Forsyth Street Advisors

Accounting (Contract)

Marcum LLP

Legal Services (Contract)

Goldfarb (contract)
Orrick (pro bono)



HOUSING
ACCELERATOR
FUND

The San Francisco Housing Accelerator Fund

Internal Roles & Responsibilities

Growth verticals: Primary engines of revenue, growth, and impact.

Supporting verticals: Keep the organization healthy + fuel growth through L&I and R & D.

	Research + Development	Lending + Investing	Portfolio Management	Capital	Team + Governance	Operations	Financial Management
DEIB							
Lead	Rebecca / Kate	Kate	Justin	Rebecca	Rebecca	Tamar	Tamar
Staff	Kate <small>Full team as needed</small>	Justin Rebecca Ji-Ho	Becca	Tamar Kati Justin	Kati Becca	Kati Becca	Ji-Ho
Primary Consultants	Forsyth Street	Forsyth Street DeWitt Brock (Construction Management)	DeWitt Brock (Construction Management)	Forsyth Street	External facilitators LightWell (DEI consultant)	TriNet (PEO)	Marcum (Accountants) Novogradac (Auditors)

E. Sample SFHAF Term Sheets: Preservation Lending & Vacant Land



Preservation Loan Term Sheet

The Housing Accelerator Fund (Fund) provides loans for the acquisition and rehabilitation of affordable multifamily housing in the Bay Area. The terms below provide general, summary information; terms for actual projects may vary from those described here.

Eligible Borrowers:	Not-for-profit (NFP) and for-profit (FP) affordable housing developers with proven development track records.
Eligible Projects	Existing residential or mixed-use buildings with a minimum of 3 units.
Eligible Uses of Loan Proceeds:	Costs associated with the project's acquisition, predevelopment, rehabilitation and, as applicable, construction of accessory dwelling units (ADUs) . Rehabilitation of ground floor commercial space may also be considered an eligible use.
Affordability Requirements:	Projects will be required to maintain occupancy restrictions established by the takeout funding source, as evidenced by a long-term deed restriction recorded on the property by the Fund and/or the takeout lender (for example, the San Francisco Mayor's Office of Housing and Community Development's Small Sites Program sets restrictions at an average of 80% of area median income (AMI) for the building as a whole). Additionally, the project must ensure that no existing residents are displaced in pursuit of the affordability requirements.
Loan Amount:	Loan amount must be supported by a Fund-ordered appraisal and may not exceed the value of the projected takeout financing (permanent mortgage debt, public subsidy, or a combination).
Loan Term:	Initial term of up to five (5) years. Short-term extensions may be available provided anticipated takeout sources continue to be sufficient to repay the loan.
Collateral:	First position lien on the property.
Interest Rate:	Fixed rate set at closing, at the discretion of the Fund. The Fund may allow interest reserves to be capitalized as part of the loan.
Origination & Other Fees:	Up to 1.5%, payable at closing. Loan Origination Fee may be capitalized into the loan amount. Borrower must also pay all of the Fund's costs and expenses reasonably incurred in connection with the loan closing, whether the loan closes or not, including, for example, appraisal, legal, and environmental review fees.
Equity:	For NFP Sponsors, 3.0% of total development costs at closing. Allowable forms of equity include: cash, subordinate debt, grant funds, project costs paid to third parties prior to closing, contributed land, deferred developer fee, and allocation of Borrower overhead. For FP Sponsors, 5.0% of total development costs at closing. Allowable forms of equity include: cash, project costs paid to third parties prior to closing, contributed land, and deferred developer fee.
Guarantees:	Completion guarantee required for all loans. For NFP Sponsor loans of \$5 million or more, or for NFP Sponsors with a cumulative outstanding loan balance with the Fund of \$5 million, a minimum 25% limited repayment guarantee is required. For FP Borrowers, key principals of the Borrower and Sponsor entities are required to provide a minimum 25%, joint and several limited repayment guarantees.
Repayment:	Borrowers must provide commitment letters (satisfactory to the Fund) from all takeout funding sources.

Contact

Kate Hartley
Chief Lending & Investment Officer
Justin Chen
SVP of Lending & Capital

Email: khartley@sfhaf.org

Email: jchen@sfhaf.org



Vacant Land Acquisition Loan Term Sheet

The Housing Accelerator Fund (Fund) provides loans for interim acquisition and predevelopment financing for land acquisitions that are being positioned for development as permanent affordable housing in the Bay Area. The terms below provide general, summary information; terms for actual projects may vary from those described here.

Eligible Borrowers:	Special-purpose, single-asset entities created by Sponsors.
Eligible Sponsors:	Not-for-profit (NFP) and for-profit (FP) affordable housing developers with proven development track records.
Eligible Sites	Vacant land sites, and sites with existing structures that will be demolished.
Eligible Uses of Loan Proceeds:	Costs associated with the project's acquisition and predevelopment. Except for certain environmental remediation costs, hard construction costs are not eligible uses of loan proceeds.
Affordability Requirements:	The Fund will only provide financing for projects which can reasonably be expected to become affordable housing. The Fund may record a deed restriction on the property.
Future Development Plans	Borrower must provide a development budget, pro forma projections of income and expenses, project description, and letters of interest/soft commitment letters from all material funding sources anticipated to provide takeout funding for the Fund's loan.
Loan Amount:	Loan amount must be supported by a Fund-ordered appraisal and may not exceed the value of the projected takeout financing (permanent mortgage debt, public subsidy, or a combination).
Loan Term:	Initial term of up to 48 months. Longer terms may be considered on an exception basis.
Collateral:	First position lien on the property.
Interest Rate:	Fixed rate set at closing, at the discretion of the Fund. The Fund may allow interest reserves to be capitalized as part of the loan.
Origination & Other Fees:	Up to 1.5%, payable at closing. Loan Origination Fee may be capitalized into the loan amount. Borrower must also pay all of the Fund's costs and expenses reasonably incurred in connection with the loan closing, whether the loan closes or not, including, for example, appraisal, legal, and environmental review fees.
Equity:	For NFP Sponsors, 5.0% of project costs at closing. Allowable forms of equity include: cash, subordinate debt, grant funds, project costs paid to third parties prior to closing, contributed land, and an allocation of Borrower overhead not exceeding 1.0% of the loan amount. For FP Sponsors, 10.0% of project costs at closing. Allowable forms of equity include: cash, subordinate debt, grant funds, project costs paid to third parties prior to closing, and contributed land. <i>Note: "Project costs" means the sum of acquisition, predevelopment and closing costs for the Project, as approved by HAF.</i>
Guarantees:	For NFP Sponsors, minimum 25% limited recourse to parent company. The actual requirement will depend on the takeout funding source. For FP Borrowers, minimum 50% limited recourse to Borrower's key principals. The actual requirement will depend on the takeout funding source.
Repayment:	Borrowers must provide commitment letters (satisfactory to the Fund) from all takeout funding sources. Repayment is typically expected no later than construction loan closing.

Contact

Kate Hartley
Chief Lending & Investment Officer

Email: khartley@sfhaf.org

Justin Chen
SVP of Lending & Capital

Email: jchen@sfhaf.org

F. Second Amendment to Intercreditor & Second Amendment to MOHCD Loan Agreement

SECOND AMENDMENT TO INTERCREDITOR AGREEMENT

THIS SECOND AMENDMENT TO INTERCREDITOR AGREEMENT, dated as of April 27, 2017, as amended by the First Amendment thereto dated as of January 20, 2020 (the “**Intercreditor Agreement**”) by and among (i) Common Spirit Health Operating Investment Pool, LLC, as successor in interest to Dignity Health (“**Common Spirit**”) and The San Francisco Foundation (“**TSFF**”) (together with their successors, transferees and assigns that execute a Counterpart), (ii) the City of San Francisco acting by and through its Mayor’s Office of Housing and Community Development (the “**City**”), (iii) The San Francisco Housing Accelerator Fund, a California nonprofit public benefit corporation (the “**Fund**”), and those Creditors who have signed a Counterpart signature page thereto, is dated as of December ____, 2021 and is entered into by and among Common Spirit, TSFF, the City, Amalgamated Bank, First Republic Bank, Chase New Markets Corporation, Hingham Institution for Savings, Regents of the University of California on behalf of its San Francisco campus and the Fund (this “**Second Amendment**”).

Pursuant to Section 7(e) of the Intercreditor Agreement, the parties hereto desire to amend the Intercreditor Agreement as provided in this Second Amendment to give effect to certain financings entered into or to be entered into by the Fund.

NOW, THEREFORE, in consideration of the promises and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendment to Recital. Recital A is amended and restated to read as follows:

A. The Fund shall provide Project Loans to Project Borrowers in accordance with the Fund’s purpose of accelerating the production and preservation of affordable housing for California’s very-low income, low income, and/or any other economically disadvantaged households and individuals by providing, developing, financing, constructing, rehabilitating, owning, and operating affordable housing for the benefit of such households and individuals (the “Program”).

2. Amendments to Defined Terms. The following definitions in Section 1 of the Intercreditor Agreement are amended and restated to read as follows:

“Revolving Credit Agreement” means, collectively, (i) that certain senior secured revolving credit agreement dated as of April 27, 2017 among the Fund, Citibank, N.A., a national banking association, as administrative agent, and the lenders party thereto and (ii) that certain revolving credit agreement dated on or about January 29, 2020 among the Fund, the lenders party thereto and First Republic Bank, as administrative agent.

3. Amendment to Section 5. Section 5(b) is amended and restated to read in its entirety as follows:

“For the avoidance of doubt, the provisions of this Section 5 are not intended to limit repayment of any Senior Term Loans, Mezzanine Loans or Subordinate Loans that matures in the

ordinary course so long as no Creditor Loan Default is continuing. Accordingly, if any Senior Term Loan, Mezzanine Loan or Subordinate Loan matures in the normal course, the Fund may repay such debt without distributing funds to any other pari passu or senior lender in respect of any Senior Term Loan, Mezzanine Loan or Subordinate Loan that is not yet due.”

4. New Section 8. A new Section 8 shall be inserted at the end of the Intercreditor Agreement, to read in its entirety as follows:

8. USE OF FUNDS OUTSIDE OF SAN FRANCISCO

The maximum dollar amount from Balance Sheet Capital that the Fund may, at any time, have loaned to or invested in real estate projects located outside of the geographic bounds of the City and County of San Francisco (the “Ex-SF Maximum”) may be evaluated and revised, from time-to-time and without limitation, by the Fund’s Board of Directors, with such evaluation taking account considerations and objectives including, but not limited to, preservation of proceeds from the City Loan Agreement for use in the City and County of San Francisco consistent with the terms of the City Loan Agreement.

For purposes hereof:

“Balance Sheet Capital” means Fund Assets less amounts drawn and outstanding pursuant to the Revolving Credit Agreement and the Additional Secured Indebtedness.

“Fund Assets” means all of the Fund’s assets, as determined in accordance with GAAP, excluding any assets held at subsidiaries of the Fund.

5. Entire Agreement. This Second Amendment is hereby incorporated into the Intercreditor Agreement and any reference in the Intercreditor Agreement to “this Agreement” shall refer to the Intercreditor Agreement as modified by this Second Amendment. Except as set forth herein, the Intercreditor Agreement remains in full force and effect and unmodified.

6. Counterparts. This Second Amendment may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Second Amendment by signing any such counterpart, including via electronic signature.

IN WITNESS WHEREOF, the parties hereto have executed, or have caused this Second Amendment to the Intercreditor Agreement to be executed by their respective authorized officers, as of the day and year first above written.

THE SAN FRANCISCO HOUSING ACCELERATOR
FUND

By: _____
Name: Rebecca Foster
Title: Executive Director

COMMONSPIRIT HEALTH OPERATING
INVESTMENT POOL, LLC

By: _____
Name:
Title:

CITY OF SAN FRANCISCO, MAYOR'S OFFICE OF
HOUSING AND COMMUNITY DEVELOPMENT

By: _____

Name:

Title:

THE SAN FRANCISCO FOUNDATION

By: _____
Name:
Title:

AMALGAMATED BANK

By: _____
Name:
Title:

FIRST REPUBLIC BANK

By: _____

Name:

Title:

CHASE NEW MARKETS CORPORATION

By: _____

Name:

Title: Authorized Officer

HINGHAM INSTITUTION FOR SAVINGS

By: _____

Name:

Title:

REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _____

Name:

Title:

**SECOND AMENDMENT TO
LOAN AGREEMENT**

This Second Amendment to Loan Agreement (“Second Amendment”) is made as of _____, 2021, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor’s Office of Housing and Community Development (the “City”), and **THE SAN FRANCISCO HOUSING ACCELERATOR FUND**, a California nonprofit public benefit corporation (“Borrower” or “HAF”).

RECITALS

A. The City and Borrower have previously entered into that certain Loan Agreement dated April 17, 2017, as amended by the First Amendment thereto dated November 27, 2019 (the “Existing Agreement”). Capitalized terms not defined herein shall have the meaning given to such terms in the Existing Agreement.

B. The City and Borrower desire to amend the Existing Agreement as specified herein

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in the City Documents, the City and the Borrower agree as follows:

1. Amendments to Existing Agreement.

(a) Section 2.2. Section 2.2 is amended and restated, to read in its entirety as follows:

2.2 Use of Funds. Borrower acknowledges that the City’s agreement to make the Loan is based in part on Borrower’s agreement to use the Funds solely for the purposes set forth in Section 2.1 with respect to properties located in the City and County of San Francisco, and agrees to use the Funds solely for those purposes.

(b) Section 3.1. Section 3.1 is amended and restated, to read in its entirety as follows:

3.1 Maturity Date. Borrower must repay all amounts owing under the City Documents on the date that is the twentieth (20th) anniversary of the date of this Second Amendment.

(c) Section 9.2(g). A new Section 9.2(g) shall be added after Section 9.2(f), to read in its entirety as follows

9.2 Use of Funds Outside of San Francisco. The maximum dollar amount from Balance Sheet Capital that the Borrower may, at any time, have loaned to or invested in real estate projects located outside of the geographic bounds of the City and County of San Francisco (the "Ex-SF Maximum") may be evaluated and revised, from time-to-time and without limitation, by the Borrower’s Board of

Directors, with such evaluation taking account considerations and objectives including, but not limited to, preservation of proceeds from this Agreement for use in the City and County of San Francisco consistent with the terms of this Agreement; *provided, however*, that the Ex-SF Maximum shall not be increased to an amount that is greater than thirty million dollars (\$30,000,000) without the prior written consent of the City, which consent shall not be unreasonably withheld, and if any request for such increase is not approved or rejected within sixty (60) days of a request therefor, such request shall be deemed to be approved by the City.

For purposes hereof:

“Balance Sheet Capital” means Fund Assets less amounts drawn and outstanding pursuant to the Revolving Credit Agreement and the Additional Secured Indebtedness (as such terms are defined in the Intercreditor Agreement).

“Fund Assets” means all of the Borrower’s assets, as determined in accordance with GAAP, excluding any assets held at subsidiaries of the Borrower.

2. New Promissory Note. The Borrower shall issue to the City a new Note in the form of Exhibit A hereto reflecting the new maturity date of the Loan.

3. Representations and Warranties. Borrower represents and warrants the following:

(a) All of the representations and warranties made by Borrower to the City in the Existing Agreement and other City Documents continue to be true and complete as of the date of this Second Amendment.

(b) No event has occurred and is continuing that constitutes an event of default or potential event of default under the Agreement, Note or any other City Documents.

(c) The execution, delivery and performance of this Second Amendment will not contravene or constitute a default under or result in a lien upon assets of Borrower under any applicable law, any charter document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower. Borrower has the power and authority to execute, deliver and perform its obligations under this Second Amendment.

4. Miscellaneous.

(a) References. No reference to this Second Amendment is necessary in any instrument or document at any time referring to the Agreement, the Note, or any other City Document. Any reference to such documents shall be deemed a reference to such documents as amended by this Second Amendment.

(b) No Other Amendments. Except as amended by this Second Amendment, the Existing Agreement remains unmodified and in full force and effect.

(c) Counterparts. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(d) Successors and Assigns. The terms, covenants and conditions contained in this Second Amendment shall bind and inure to the benefit of Borrower and the City and, except as otherwise provided herein, their personal representatives and successors and assigns.

(e) Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Second Amendment.

(f) No Third Party Beneficiaries. Nothing contained in this Second Amendment, nor any act of the City, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

4. Conditions Precedent to Closing. This Second Amendment shall only become effective upon satisfaction of the following: Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) this Second Amendment (in duplicate); (ii) the Note, and (iii) any other documents reasonably requested by the City.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment at San Francisco, California as of the date first written above.

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
London N. Breed
Mayor

By: _____
Eric Shaw
Director, Mayor's Office of Housing
and Community Development

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Heidi J. Gewertz
Deputy City Attorney

BORROWER:

THE SAN FRANCISCO HOUSING
ACCELERATOR FUND,
a California nonprofit public benefit corporation

By: _____
Rebecca Foster
Chief Executive Officer