

Plaza East Slides

GAO Committee

May 6, 2021



Mayor's Office of Housing and Community Development
City and County of San Francisco

Plaza East

MOHCD's historical relationship with Plaza East

- Plaza East is not a MOHCD-funded project
- MOHCD does not monitor financial performance or affordability
- Plaza East was included in the MOHCD-coordinated RAD portfolio application to HUD in 2013, which included all San Francisco Housing Authority public housing and HOPE VI sites (with the exception of 70 units)
- MOHCD walked the site in 2017 as part of our continuing support of repositioning of SFHA portfolio
- MOHCD learned of need for repairs at Plaza East from SFHA in December 2020
- MOHCD funds were made available for the project when MOHCD's rehabilitation loan to Hayes Valley North, a HOPE VI project, was reduced by \$2M in early January 2021

Plaza East



Plaza East \$2,698,000 Emergency Repairs Loan

Citywide Affordable Housing Loan Committee approved on April 16, 2021

Loan to be repaid by MBS from the proceeds of the Plaza East revitalization program at construction closing

Loan Terms:

Financial Description of Proposed Loan	
Loan Amount:	\$2,698,000
Loan Term:	3 years, with an extension up to 5 years if Borrower can demonstrate meaningful progress towards revitalization project construction closing as determined by the MOHCD Director
Loan Maturity Date:	2024, or 2026 if needed and Borrower can demonstrate meaningful progress towards revitalization project construction closing as determined by the MOHCD Director
Loan Repayment Type:	Deferred until maturity date, on which principal and accrued interest are due in full
Loan Interest Rate:	3% simple

Plaza East



Loan Conditions

- MBS to facilitate services contract with MOHCD for the disbursement of \$198,000 in funding for resident services.
- MBS to work with MOHCD to increase the pace of the emergency repair work and decrease the overall duration of the emergency repair project.
- MOHCD to approve the final Scope of Work in each unit (or each external area of the property) before the work commences.
- MBS to submit before- and after- photographs of each unit (or each external area of the property) along with each Draw Request in order to receive reimbursement for that scope of work.
- Sponsor must submit a monthly report for the duration of the emergency repairs project to MOHCD.

Plaza East



Property Management

Management of the property is expected to transition to John Stewart Company (JSCo) on June 1.

Plaza East will be the last of San Francisco's properties managed by McCormack Baron Management Co. (MBM) to make this transition.

Other projects that have transitioned from MBM to John Stewart management over the past three years include:

- Alice Griffith (HOPE SF)
- Bernal Dwellings (HOPE VI)
- Hayes Valley North and South (HOPE VI)

Plaza East



MOHCD's Role During Construction

For all MOHCD-funded projects, our assigned Construction Representative will:

- Approve monthly construction pay applications (AIA form) including
 - Conditional lien release forms
 - Conformance with certified payroll and hiring requirements
 - Conformance with documented completion of work including labor and materials accounting
 - Review and authorize approval of ALL change orders
 - Monitor construction retention from each draw (typically 10% per draw). Approve any early release or reduction of retention.
 - Monitor the Hard Cost Contingency Balance
- MOHCD to monitor COVID-19 Construction Protocols as developed with DPH
- Attending OAC calls at least twice per month and monthly all hands Pay App meetings.
- Coordinate resolution of construction period issues with field inspection
- Ensure all Notices of Violation (NOVs) have been addressed before construction retention funds are released
- Monitor close out process: delivery of any as builts and warranties; ensure staff are trained on building systems, unconditional lien releases , Certificate of Occupancy or Notice of Final Completion