

**Citywide Affordable Housing Loan Committee**

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

3300 Mission St.

\$12,440,242 Funding Amount, including AHP  
bridge loan of \$2,100,000 Final Gap  
Commitment

\$1,000,000 Liquidity Guaranty Loan

Evaluation of Request for:	Final Gap
Loan Committee Date:	August 16, 2024
Prepared By:	William Wilcox, Bond Manager
MOHCD Asset Manager:	Scott Madden
MOHCD Construction Rep:	Robin Wang
Sources and Amounts of New Funds Recommended:	\$10,091,242 Housing Trust Funds
Sources and Amounts of Previous City Funds Committed:	\$2,349,000 Predevelopment Loan \$1,154,963 Housing Trust Funds \$1,194,037 2023 Certificates of Participation (COPS)
Total MOHCD Gap Loan	\$12,440,242

Evaluation for Request of Final Gap Loan Evaluation  
 3300 Mission Street, San Francisco, CA 94110

2/2/2024  
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**NOFA/PROGRAM/RFP:** 2023 Site Acquisition and Pre-development Financing for New Affordable Rental Housing

**Applicant/Sponsor(s) Name:** 3300 Mission Partners L.P.

**EXECUTIVE SUMMARY**

**Sponsor Information:**

Project Name:	3300 Mission St	Sponsor(s):	Bernal Heights Housing Corporation (BHHC), Tabernacle Community Development Corporation (TCDC), Mitchelville Real Estate Group (MREG)
Project Address (w/ cross St):	3300 Mission Street, San Francisco, CA 94110 (Cross Street: 29 <sup>th</sup> St)	Ultimate Borrower Entity:	3300 Mission Partners L.P.

**Project Summary:**

3300 Mission Street is a new construction and adaptive reuse project at the site of the former Graywood Hotel and the 3300 Club, a bar, in the Bernal Heights neighborhood, which were destroyed in a fire in 2016. This development will maintain and adaptively reuse the original building façade and visual character but otherwise completely rebuild the structure and add three additional stories. The project will address an otherwise blighted corner in a vibrant commercial corridor that due to the complexities of the site and current market conditions may have otherwise remained vacant for years to come save for the charred husk of the former building. Rebuilding on this site within 10 years of the fire required maintaining the existing façade to utilize entitlement streamlining. The small size and narrow triangular shape of the parcel along with maintaining the existing façade are the major drivers of the cost of the project. The new building will feature 35 studio units (including one manager unit) ranging from 30-80% MOHCD AMI (Project). The ground floor will include approximately 776 square feet of commercial space whose programming is still to be determined.

The current request is for approval of a final gap loan of \$12,440,242 which is an additional \$10,091,242 in gap funding beyond the already committed \$2,349,000 in predevelopment funds and \$4,151,000 acquisition funds. In addition, the project is requesting a \$1 million liquidity guarantee assistance loan to support these small developers in pursuing their first project as lead developers. The Project was awarded 9% LIHTC earlier this year and has a construction closing deadline of November 2024 with stabilization and full lease up planned for the end of 2026. Loan Committee approved the acquisition of the Site in August 2023 in the amount of \$4,151,000. That portion of the loan will be considered paid in full once the Site transfers to MOHCD at construction start.

The development team is made up of the Bernal Heights Housing Corporation (BHHC), Tabernacle Community Development Corporation (TCDC) and Mitchelville Real Estate Group (MREG, together the Sponsor). The three organizations are each taking the lead on different parts of the Project, as noted in the joint venture agreement delegating these tasks, which is attached as Attachment M. This is the only all Black-led development team in MOHCD’s current pipeline. This Project represents MOHCD’s commitment to expanding opportunities for smaller, Black-led emerging developers.

**Project Description:**

Construction Type:	Type IIIA/Type IA podium	Project Type:	Rehab /New Const.
Number of Stories:	6 + basement	Lot Size (acres and sf):	0.072 acres / 3072 sf
Number of Units:	35	Architect:	BAR Architects & Interiors
Total Residential Area:	19,460 sf	General Contractor:	Guzman Construction Group
Total Commercial Area:	776 sf	Property Manager:	Caritas
Total Building Area:	21,800 sf	Supervisor and District:	Hillary Ronen, District 9
Land Owner:	3300 Mission Partners L.P.		
Total Development Cost (TDC):	\$39,329,242	Total Acquisition Cost:	\$4,151,000
TDC/unit:	\$1,123,693	TDC less land cost/unit:	\$1,005,093
Loan Amount Requested:	\$12,440,242	Request Amount / unit:	\$355,435 less acquisition
HOME Funds?	No	Parking?	No

**PRINCIPAL DEVELOPMENT ISSUES**

- **Commercial Space:** The Project is slated to include ground floor commercial space. It will be a challenge to identify a use and potential tenant given the current retail environment and the cost to develop such a small space. The team has produced a detailed plan for leasing but there is no specific tenant, use, or operating budget identified at this time. They will condo-ize the space and the space is currently not envisioned to be a community serving use, so the loan will only be deferred if it is a community-serving use. Staff supports this request given the small size of the loan. See Section 4.5.2.
- **Existing Site Conditions & Project Costs:** In 2016 a major fire tore through the site destroying the existing bar and SRO leaving only the building façade, which has remained a blighted eyesore for eight years. This burned-out husk of a building also leaves a key portion of a major commercial corridor inactive. Given market conditions, the size and narrow triangular shape of the project, and requirement to maintain the existing façade in order to use entitlement streamlining – it was not likely that any redevelopment would occur on the site without public investment. The Project is 116% more expensive than comparable projects per square foot. The site configuration, existing façade, and small project size all contribute to this challenge. Due to the complexity of the project and refining construction plans, Project costs have increased by 19% since the predevelopment loan evaluation in 2023. Due to City budget constraints, the Sponsor must work with MOHCD to ensure costs do not increase further and reduce costs to lower the gap loan amount prior to closing. See Section 4.4.
- **Project Cash Flow:** Project has a narrow and declining cash flow due to 30% AMI units that do not have vouchers or other operating subsidy and marketing challenges for higher AMI studios. The Sponsor must pursue project-based subsidies including Veterans Administration and SFHA Project Based Vouchers and will set 80% AMI unit rents at levels that will be marketable given the unit size. See Sections 7.1 and 7.4.
- **Waiver for Emerging Developers:** The Project is requesting some waivers to MOHCD underwriting guidelines that are available for Emerging Developers. These include two items allowed under our underwriting guidelines: a decreased ground lease base rent payment of only \$1 instead of \$15,000 (see Section 4.1.1), and no payment of residual receipts for the first five years. There are two additional requests not contemplated under the underwriting guidelines: increased owner distribution of 50% instead of 33%, and MOHCD providing a separate fund to support liquidity guarantees. Staff supports these requests (see Section 7.1).
- **Basement Shoring Strategy:** Project is no longer able to use the initial shoring strategy because that would require collaboration from neighboring building, whose HOA has filed an appeal to the project's site permit. Given this the project is exploring a variety of other options but there is no final decision for the foundation at this time and this could result in additional costs. See Section 4.2.

**SOURCES AND USES SUMMARY**

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD Predev	\$2,349,000	\$67,114	3 yrs @ 3% Def	Committed
MOHCD Acquisition	\$4,151,000	\$118,600	3 yrs @ 0% Def; forgiven at construction closing	Committed
<b>Total</b>	<b>\$6,500,000</b>	<b>\$185,714</b>		

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD Predev	\$2,349,000	\$67,114	55 yrs @ 3% / Res Rec	Committed
MOHCD Perm Gap	\$7,991,242	\$228,321	55 yrs @ 3% / Res Rec	This Request
MOHCD AHP Bridge	\$2,100,000	\$60,000	55 yrs @ 3% / Res Rec	This Request
Tax Credit Equity	\$24,400,800	\$697,166	TC Equity: \$0.915 PPC	Committed
<b>Total</b>	<b>\$36,841,042</b>	<b>\$1,052,601</b>		

Permanent Uses	Amount	Per Unit	Per SF	Predev Amount	Change from Predev	Percent Change from Predev
Hard Costs	\$23,802,873	\$680,082	\$1,316	\$19,580,819	\$4,222,054	22%
Soft Costs	\$10,201,119	\$291,461	\$564	\$8,965,341	\$1,235,778	14%
Reserves	\$212,050	\$6,059	\$12	\$105,045	\$107,005	102%
Developer Fee	\$2,625,000	\$75,000	\$145	\$2,200,000	\$425,000	19%
<b>Total</b>	<b>\$36,841,042</b>	<b>\$1,052,601</b>	<b>\$2,038</b>	<b>\$30,851,205</b>	<b>\$5,989,837</b>	<b>19%</b>

Emerging Developer Capacity Guarantee	Amount	Per Unit	Terms	Status
MOHCD Liquidity Guarantee	\$1,000,000	\$28,571	3 yrs	This Request

**BACKGROUND**

**1.1. Project History Leading to This Request.**

3300 Mission Street currently sits vacant after a June 2016 fire left the structure uninhabitable. Previously the three-story building included commercial space on the first floor and 28 Single Room Occupancy (SRO) units, a combination of residential and tourist hotel units, on the second and third floors. The lot is approximately 3,072 square feet (Site).

Acquisition and rehabilitation of the Site was originally contemplated under MOHCD’s Preservation/ Small Sites Program, which allows over-the-counter

applications and is based on a community ownership model (e.g., the Sponsor, and not the City, owns the land). However, given the poor condition of the building post-fire and the limitations on unit count if the Project were strictly rebuilt, it has been reconceived as a hybrid preservation/new construction project that retains elements of the old façade but adds additional stories and density to the maximum amount allowable under AB 2011. The façade cannot be demolished due to demolition prohibitions under AB 2011 for properties that had tenants in the past 10 years.

In June 2023 the development team acquired the Site using a loan from the Housing Accelerator Fund for \$3,850,000. On June 22, 2023, the Project received a preliminary award of site acquisition funds from MOHCD's 2023 Site Acquisition NOFA for \$6,500,000, which included \$2,349,000 in predevelopment funds and \$4,151,000 in acquisition funds.

The current design plan for the redevelopment of 3300 Mission will transform the property into a six-story, mixed-use building with approximately 21,700 square feet, designed for 35 studio units of affordable housing, a residential community space and up to 776 square feet of commercial/retail space on the first floor. The redevelopment will preserve the existing three-story facade along Mission Street and 29th Street and will connect with the new three-story structure above. The remainder of the building is unsalvageable and will be demolished. The façade is deteriorating and may require additional structural intervention and coordination with the Department of Building Inspection before construction begins.

Each studio unit will range from 267- 406 square feet and feature its own private bathroom and kitchen. The rents will be set to be affordable for households ranging from 30% to 80% of MOHCD Area Median Income. The Project will maximize the unit count by adding three stories to the existing building envelope while ensuring units are adequately sized for tenant needs. Under the current design all units are well above the TCAC minimum of 200 square feet for studio units.

The Project is pending the street improvement permit which is in queue for completeness review. The demolition and shoring permit has been received from the City. BART has preliminarily approved the project since it encroaches on the zone of influence. The projected construction start date is planned for 11/4/24 with completion on 6/30/26 and lease-up commencing thereafter. The project has 50% construction drawings and is working on receiving a final GMP by the end of August 2024.

## 1.2. Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

3300 Mission Project was awarded \$6,500,000 in funds as part of the 2023 Site Acquisition and Predevelopment Financing for New Affordable Rental Housing (NOFA). The submittal included a proposal for the redevelopment of 3300 Mission into a six-story, mixed-use building. The NOFA was issued January 27, 2023, and the award was made June 22, 2023. The Project scored 82.4/100 based on scoring that accounted for applicant experience, project concept, community engagement, service delivery, financing plans for cost containment, and racial equity strategy. The Project scored in the top 5 of 8 total applicants that met the threshold requirements. Based on that competitive scoring process this project was selected to receive a funding award.

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

1.3.1. Borrower.

3300 Mission Partners L.P. BHHC and TCDC (or single-purpose affiliated entities) together will serve as the Managing General Partner of the Limited Partnership, with ownership interests split 50/50. An affiliate entity of Mitchelville Company Inc., 100% owner of MREG, will serve as and own the Administrative General Partner.

1.3.2. Joint Venture Partnership.

MOHCD supported the initial collaboration by the development team of MREG, TCDC and BHHC as part of MOHCD’s Emerging Developer capacity building work. MOHCD supported the initial formation of the joint venture that draws upon MREG’s extensive affordable housing development experience and BHHC and TCDC’s deep ties to the community.

Gina Dacus (BHHC), Todd Clayter (TCDC) and Andre White (MREG) are the primary points of contact for the project with Connie Xie (BHHC) and Rachel Cheong (MREG) providing additional regular support. Each organization leads on different work categories as outlined in the joint venture agreement, which is attached and serves as a memorandum of understanding outlining roles and responsibilities (Attachment M).

1.3.3. Demographics of Board of Directors, Staff and People Served.

	Gender Identity	Race
Bernal Heights	M: 1	Black or African American: 1

Neighborhood Center Board	F: 4	Caucasian/White: 4 Pacific Islander: 1
Bernal Heights Housing Corporation Board	M:3 F: 2	Black or African American: 2 Caucasian/White: 3
Bernal Heights Neighborhood Center - All Staff	M: 10 F: 19 excluding consultants	Black or African American: 2 Caucasian/White: 2 Hispanic or Latino: 8 Pacific Islander: N/A Asian: 15 *Note: Some staff identify with additional race/ethnicity
Tabernacle Community Development Corporation Board	M: 7 F: 2	African American: 9
Tabernacle Community Development Corporation - All Staff	M: 3 F: 1	African American: 4
Mitchelville Real Estate Group	M:1 F:2	Black or African American: 1 White: 1 Asian: 1

1.3.4. Racial Equity Vision.

The 3300 Mission team’s goal is to meet the needs of current and former San Franciscans who risk displacement from the City, and to stabilize and sustain the residents now and for generations to come, as much as possible through this Project. The development team will focus on providing opportunity to those historically adversely impacted by economic and social conditions resulting from discrimination, exclusion and institutional racism. This will require outreach and advocacy to displaced Certificate of Preference (COP) holders as well as BIPOC residents across the City. See marketing strategy in Section 4.11.

The 3300 Mission team comprises three Black-led organizations and will engage BIPOC-led professional services, contracting, property management and related enterprises to the fullest extent possible.

1.3.5. Relevant Experience.

BHHC has completed 18 developments with a total of 586 units including four commercial units. BHHC was part of the partnership that received an award for developing the 1100 Ocean Ave Apartments, a project that combines permanent supportive housing for extremely low-income and formerly homeless young adults with family housing.

TCDC has served as a partner with other developers in numerous affordable housing developments including Alice Griffith HOPE SF. TCDC did not lead the development process on this project and is thus looking to increase their capacity through a larger leadership role in this Project.

MREG is specialized in strategic land advisory, project management, affordable housing development and acquisitions across California. MREG is led by Andre White who brings many years of project management, development consulting and financial analysis to the team. MREG's representative transactions in San Francisco include 4840 Mission, Potrero Block B & X, and India Basin (affordable housing phase). MREG has worked as an advisor or consultant on 426 units in San Francisco and a total of 1,986 units across California in both new construction and resyndications since 2019.

While BHHHC and TCDC have experience in developing affordable housing properties for low-income households in San Francisco, neither has recently led the development of new construction properties. This Project represents a new opportunity for BHHHC and TCDC to expand their development experience and ready themselves for future solo ventures. Working with MREG and outside consultants will support them through the development process for this Project.

1.3.6. Project Management Capacity. See attachment C, staff resumes.

Gina Dacus (BHHHC), Todd Clayter (TCDC) and Andre White (MREG) are the primary points of contact for the Project with Connie Xie (BHHHC) and Rachel Cheong (MREG) providing additional regular support. Each organization leads on different work categories as outlined in the joint venture agreement, which is attached (Attachment M).

BHHHC and MREG will split Project planning and all three members take part in communications. All three organizations will take part in the entitlements and financing process. Community outreach is led by TCDC and BHHHC. BHHHC will oversee any right of return issues and MREG will take the lead on construction management with support from TCDC and BHHHC. Resident engagement and services will all be coordinated by BHHHC and TCDC, with BHHHC serving as service provider. TCDC will oversee the third-party property management firm and BHHHC will provide asset management (experience and staffing in Attachment D).

The team members on 3300 Mission Project are:

**BHHHC**

1. Gina Dacus, Executive Director - 40 hours per month (0.25 FTE)
2. Miriam Noboa, Project Manager - 24 hours per month (0.15 FTE)
3. Adeline Siew, Controller - 16 hours per month (0.1 FTE)



- 4. Connie Xie, Housing Development Coordinator - 80 hours per month (0.5 FTE)
- 5. Sulaiman Hyatt, Community organizer -48 hours per month (0.3 FTE)
- 6. Nyomi Hunt, Housing Intern - 48 hours per month (0.3 FTE)

**TCDC**

- 7. Dr. James McCray, Executive Director - 16 hours per month (0.1 FTE)
- 8. Todd Clayter, Project Manager - 56 hours per month (0.35 FTE)
- 9. Gerald Green, Project Manager - 24 hours per month (0.15 FTE)

**MREG**

- 10. Andre White, Project Manager - 32 hours per month (0.2 FTE)
- 11. Robin Shack, Project Administrator - 16 hours per month (0.1 FTE)
- 12. Rachel Cheong, Asst. Project Manager – 32 hours per month (0.2) FTE

1.3.7. Past Performance.

No outstanding performance issues with any of the Sponsors.

1.3.7.1. City audits/performance plans.

No audit issues with any Sponsors. Both BHHC and TCDC are in good standing with the community development team and received accolades for their community engagement and the quality of their work.

1.3.7.2. Marketing/lease-up/operations.

BHHC, TCDC and MREG have not led marketing for any new multifamily projects in the MOHCD portfolio in recent years under DAHLIA. Caritas Management Corporation, the property manager for the site, will be responsible for the marketing and lease-up plan.

Caritas will develop a comprehensive marketing plan in compliance with MOHCD requirements and it must be approved by MOHCD. Caritas has experience with lease-up of MOHCD properties. A recent lease up at Balboa Park Upper Yard was understaffed causing delays. Caritas will need to adequately staff the lease up to ensure timely occupancy.

Eviction and Existing Tenant Demographic Data in Sponsor Portfolio

**BHHC**

Tenants by Ethnicity	Number of Tenants	Percent
Latino/Hispanic Origin	266	39%
Not Hispanic or Latino Origin	261	38%

Declined to State	151	22%
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Tenants by Race	Number of Tenants	Percent
White	107	15%
Black or African American	60	9%
American Indian or Alaska Native	13	2%
Asian	149	22%
Other	173	25%
Declined to Report	190	27%

Evictions in Bernal Units:

1. 1100 Ocean - 1
2. Alemany - 4
3. Bernal Gateway 1

Total - 6 evictions the past 12 months.

**TCDC**

Tenants by Ethnicity	Number of Tenants	Percent
Latino/Hispanic Origin	157	13%
Not Hispanic or Latino Origin	711	61%
Declined to State	306	26%

Tenants by Race	Number of Tenants	Percent
White	126	9%
Black or African American	284	21%
American Indian or Alaska Native	4	0.01%
Asian or Pacific Islander	296	22%

Other	193	14%
Declined to Report	429	32%

At the properties listed below, all of which TCDC has ownership interests, there have been no evictions within the past 12 months as follows:

- Robert B. Pitts - 0
- Westside Courts - 0
- Alice Griffith 2 & 4 - 0
- Tabernacle Vista - 0

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

Site Description	
Zoning:	Mission Bernal Neighborhood Commercial district
Maximum units allowed by current zoning (N/A if rehab):	The base zoning restricts height to 40 feet and then the additional stories can be added using the 33-foot bonus over existing zoning allowed by the State Density Bonus law. Existing density limit is 1 unit per 600 square feet of lot space, which would be 5 units only. However, the State Density Bonus Law also enables unlimited density. Only 6 stories are feasible with the height limit and keeping the existing façade.
Seismic (if applicable):	Seismic Design Category D
Soil type:	Clayey sands/sedimentary deposit/ Confirmation pending Geotech report
Environmental Review:	There are no environmental issues. Phase I ESA was completed on 3/21/2023. No evidence of Recognized Environmental Conditions (RECs) and no further investigation recommended.
Adjacent uses (North):	Commercial - restaurants, salons, Ariel Architects, cafe liquor store, UPS Store, Stemful (childcare), USPS  Residential (condos) - 199 Tiffany Ave
Adjacent uses (South):	Safeway grocery store, restaurants, dispensary Residential – 8-unit condominium (3310 Mission)
Adjacent uses (East):	Commercial - Fumi Curry & Ramen, PizzaHacker/ Bagel (restaurants), Atlas Plumbing and Rooter Residential - Coleridge Park Homes (Senior housing - 47 units)
Adjacent uses (West):	Commercial - The Front Porch (restaurant), bar, dispensary
Neighborhood Amenities within 0.5 miles:	<ul style="list-style-type: none"> <li>- Safeway is 350 feet from the Site</li> <li>- Good Life Grocery is 0.4 miles from the Site</li> <li>- Holly Park is 0.398 miles from the Site</li> </ul>

	<ul style="list-style-type: none"> <li>- Precita Park is 0.475 miles from the Site</li> <li>- Sutter Pacific Medical Center, St. Luke’s Hospital (CPMC Mission Bernal Campus) is within 0.4 miles from the Site.</li> <li>- Walgreens Pharmacy is 590 ft from the Site</li> <li>- Bernal Library is 0.435 miles from the Site</li> <li>- Junipero Serra Elementary School is a half-mile from Site</li> </ul>
Public Transportation within 0.5 miles:	Muni within 0.5 miles are: 12, 14, 49, 24, 36, J 24th St. Mission Bart is 0.6 miles from Site
Article 34:	Approved for Article 34 Authority on 8/7/2023.
Article 38:	The California Energy Code requires the Project to include a fan forced MERV-13 filter, which meets the Article 38 requirements for the Project as well.
Accessibility:	Min. 15% of units will be Mobility units and 10% of units will be Communications units. All other units will be adaptable units.
Green Building:	Green Point Rated and All Electric design.
Recycled Water:	Exempt- The Project is located outside the designated recycled water use area and so is not subject to the SFPUC recycled water ordinance.
Storm Water Management:	The Project is located within the combined sewer area and will be subject to review for the SFPUC stormwater management ordinance. This will be further developed during predevelopment.

2.1. Description.

The redevelopment of 3300 Mission will transform the property into a six-story, mixed-use building with approximately 21,700 square feet, 35 studio dwelling units, a residential community space and 776 square feet of commercial/retail space on the first floor. The redevelopment will preserve the existing three-story façade along Mission Street and 29th Street and will connect with the new three-story structure above; the remainder of the interior of the building is unsalvageable and will be demolished. The building is not designated as historic nor is it contributing to a historic district – thus maintaining the façade is only to comply with the limits on demolition of buildings that have been occupied by tenants in the past 10 years under AB2011.

Each studio unit will range in size from 267 square feet to 406 square feet and feature its own private bathroom and kitchen. This design maximizes the unit yield by adding three stories that respects the existing building.

2.2. Zoning.

The Project is eligible for and has utilized AB2011 streamlined entitlements approvals. It will also utilize the State Density Bonus Law, through which it will obtain three additional stories and will utilize four waivers. The additional 3 stories are on top of existing 40’ limit, allowing a

max of 73'. The Project is also receiving waivers for rear yard size, usable open space, and dwelling unit mix. The AB2011 application was submitted to the San Francisco Planning Department in October 2023 and received approval in February 2024.

### 2.3. Probable Maximum Loss.

N/A. While the façade will be maintained, it will not be part of the Project's structural system. The new post and beam structure behind the façade will carry the loads.

### 2.4. Local/Federal Environmental Review.

Project requested AB2011 + state density bonus for entitlement which exempts the Project from CEQA review. No NEPA or federal review is required at this time.

### 2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results. Phase I Environmental Site Assessment (ESA) was completed on March 21, 2023. No evidence of RECs and no further investigation recommended. The tax credit investor will confirm whether a Phase 2 is required.
- Potential/Known Hazards. The Hazardous Materials report was completed on March 24, 2023. Asbestos Containing Material (ACM) was not identified. Lead Based Paint was identified and will be properly remediated and disposed of as a part of the Project's demolition phase.

## 3. COMMUNITY SUPPORT

### 3.1. Prior Outreach.

The Sponsor hired a third-party communications consultant to create a 90-day plan outlining the community engagement approach and activities recommended to launch the public outreach process for the project. The consultants have continued to advise the development team on responding to constituent information requests.

In Fall 2023, the Project team sent out flyers and mailers informing the community of the redevelopment. Phase I of the outreach included face-to-face engagement with key stakeholders and the businesses along the Mission Bernal corridor where the site is located.

The team held a successful community open house for the Mission Bernal community at an art gallery located across the street from the project site on Saturday, December 9, 2023. This was an informal meeting where the community could drop by to learn from the project team which consisted of the development team, architects and its

subconsultants that attended. Most concerns expressed have been about the height, shadows, and parking for the building. The Project team received an appeal letter from Department of Building Inspections on July 23, 2024 stating that the condo owners at 3310 Mission appealed the project's Site Development Permit. Previously, the team reached out to the 3310 Mission condo building and to the broker that sold each condo to the owners. The Sponsors were unable to have direct contact with the condo HOA because the broker informed them that the HOA had not been turned over to the homeowners at the time. Since then, the Sponsors attempted establish communication several times with no success.

### 3.2. Future Outreach.

In regard to responding to the appeal letter for the Site Development Permit, the project team is working with legal counsel to put together a briefing package that will be submit to the Board of Appeal by August 20, 2024. Given that the project is protected by AB2011, counsel believes that this issue will get resolved. Once the briefing package is submitted electronically, the respondents will have until August 22, 2024 to respond. The Sponsors will attend the hearing on Wednesday, August 28, 2024. MOHCD will also review the appeal response.

In addition to community outreach for the development of the Project, there will be extensive community engagement to encourage applications from BIPOC San Franciscans who have been displaced from the Bernal Heights vicinity and historically excluded from quality housing over the past century.

The Project Team anticipates restarting the small group and community outreach in late 2024. Bernal Heights Neighborhood Center brought on Sulaiman Hyatt as the Lead Community Organizer in June 2024 to manage the overall direction of BHNC's organizing and empowerment work and to be the main contact person for the community outreach for 3300 Mission. Sulaiman is working to build relationships with residents, neighbors and key stakeholders and mapping out the second phase of communication outreach which includes hosting a meeting to share out the construction timeline, commercial space input, and next milestones with the community. This will also include communication concerns regarding the sewer lines and street improvements that SFDPW has planned to do simultaneously around the construction timeline.

### 3.3. 1998 Proposition I Citizens' Right-To-Know.

Prop I Notice was posted as required on the property on July 26, 2023.

## 4. DEVELOPMENT PLAN

#### 4.1. Site Control.

The Sponsor purchased the property for \$3,850,000 in June 2023 using a loan from the San Francisco Housing Accelerator Fund.

##### 4.1.1. Proposed Property Ownership Structure

3300 Mission Partners L.P. has fee simple title to the property. Acquisition and rehabilitation of the Site was originally contemplated under MOHCD's Preservation/ Small Sites Program, which is based on a community ownership model (e.g., the Sponsor, and not the City, owns the land). However, given the Project's current new construction project type, the land will be transferred to the City prior to construction loan closing and then the City will ground lease the land back to the partnership. When the land is transferred the \$4,151,000 acquisition note will be deemed repaid.

The Sponsor's Emerging Developer status makes the Project eligible for a waiver of portions of the City's Ground Lease policy, specifically the mandatory \$15,000 annual ground lease base rent payment. The Project seeks a waiver for the mandatory annual ground lease payment and proposes \$1 for this Project.

#### 4.2. Proposed Design.

The redevelopment of 3300 Mission will transform the property into a six-story, mixed-use building with approximately 21,700 square feet, designed for 35 studio dwelling units of 100% affordable housing, a residential community space and 776 square feet of commercial/retail space on the first floor. The redevelopment will preserve the existing three-story façade along Mission Street and 29th Street and will connect with the new three-story structure above; the remainder of the interior of the building is unsalvageable and will be demolished. The Project will keep the facade and demolishing all other parts of the remaining structure. The Project will thus add six floors to the basement and will reinforce the basement and foundation below the current basement to support 6 new stories. In order to accommodate this the project is upgrading the basement slab and adding a new shoring/foundation system beneath. A historic consultant has been hired to assist in maintaining the aesthetic of the existing façade and has provided research and input on the architectural plans at each design stage. The consultant will continue to advise the architect during construction administration. The façade had to be preserved in order to access entitlement streamlining through AB2011, which does not allow for any demolition if tenants resided in the property within the past 10 years. There is no carve out in the legislation for fire or other disaster resulting in the inoperability of the property.

Cost efficiency considerations were as below:

**Type of Construction** - One story of Type IA construction for the ground floor podium with 5 stories of Type IIIA wood framed construction.

**Basement Slab** - Retain existing basement and basement slab for the most economical foundation solution. This way the Project does not have to have the added construction cost of removing the basement and shoring and adding new foundation that extend past the basement slab of the adjoining building. The basement would then be used to accommodate building mechanical systems.

It is still unknown whether the design will require lowering the existing slab. Depending on the adjacent building's bottom of foundation level, there is potential that the new building's foundation may cause excess surcharge on their slab. The design team is working to avoid having to lower the slab. The Project is within the zone of influence of the BART tunnels.

The basement shoring strategy is still in flux because the Project is now focusing on designs that require no shoring agreement with the neighboring building because the owners of that property have filed an appeal of 3300 Mission Site Development Permit. Any change in the shoring may have additional cost impacts that will have to be mitigated through the existing budget. There are five proposed alternative strategies currently being investigated by the architect and structural engineer:

1. Underpinning
2. Creating a new foundation inside the property line and cantilevering the structure above
3. Deep foundation – keeping the mat and tying the pile to the bottom of the mat
4. Structural Shoring
5. Grouting

**Compact Units**- 7 units per floor on floors 2-6 with a compact unit plan makes for a very efficient use of an odd and triangular floor plate. Units range from 267-406 square feet in total and include a bathroom and a cooking area.

**Mechanical System** - In unit heat pumps with no outdoor components makes for an efficient use of energy for heating and saves space.

The below chart goes over per floor space and the location of retail and amenity spaces on the ground floor and roof. The roof will provide outdoor amenity space for use by the tenants.



**PRELIMINARY BUILDING AREA TABULATIONS**

updated 7/5/23

Level	Residential Net Rentable GSF*	Residential Amenity GSF**	Residential Core GSF***	Residential Total GSF	Retail Total GSF	Bldg Core GSF^	Non-Res. Total GSF	Grand Total GSF
R		540	484	1,024		0	0	1,024
6	2,119	0	791	2,910		0	0	2,910
5	2,119	0	791	2,910		0	0	2,910
4	2,119	0	791	2,910		0	0	2,910
3	2,414	0	791	3,205		0	0	3,205
2	2,414	0	791	3,205		0	0	3,205
1	0	1,481	501	1,982	660	248	908	2,890
B		517	800	1,317		1,294	1,294	2,611
<b>Total</b>	<b>11,185</b>	<b>2,538</b>	<b>5,740</b>	<b>19,463</b>	<b>660</b>	<b>1,542</b>	<b>2,202</b>	<b>21,665</b>

**NOTES:**

- \* Residential Net Rentable GSF calculation includes exterior, corridor and party walls, and half party walls where adjacent to...
- \*\* Residential Amenity GSF includes community room, entry lobby, offices, laundry
- \*\*\* Residential Core GSF include corridors, stairs, elevators, res. level utility spaces
- ^ Building Core GSF includes large mechanical/utility spaces, etc

**4.3. Proposed Rehab Scope. N/A**

**4.4. Construction Supervisor/Construction Representative’s Evaluation**

The proposed project makes sufficient use of the site located at the corner of Mission St and 29th St. The site previously housed a single occupancy hotel and 3300 Club and was severely damaged by fire. The project sponsor’s plan is to transform the current 3-story blighted property into a 6-story SRO building with 35 units, one community space and one retail space. The redevelopment will preserve the existing 3-story façade and add three levels above the current structure.

The lot size is approximately 3,072 square feet, residential area is 17,085 square feet, retail area is 996 square feet. The total building size is approximately 18,081 square feet. The studio unit will be sized between 200 square feet and 350 square feet. Each unit will feature a private bathroom and kitchen.

The total construction cost estimate is \$23,942,253, roughly \$684,064/unit and 1,324/sqft. MOHCD Construction representative Robin Wang ran a cost analysis based on similar construction type buildings in predevelopment, under construction, and already completed from the MOHCD database. The average cost per unit is \$730,622 and \$614/sqft. The per unit cost is roughly 6% less than the comparable projects and 116% more on cost per square foot. The comparable projects’ average number of units is 76 while this project only has 35 units. Since this project

is so much smaller than other MOHCD projects, the MOHCD database does not provide a good cost comparison. The developer team has limited experience in developing similar projects, does not have a good economy of scale, and is required to maintain a 3-story historic façade while adding 3 additional floors. A significant amount of foundation work is anticipated. Based on MOHCD and the tax credit investor's recommendation given these complexities, the project is holding additional owner's contingency, currently 7.2%.

#### 4.5. Commercial Space.

##### 4.5.1. Space Description.

3300 Mission Partners will develop a 776 square feet commercial space as a separate condo parcel. At permanent loan conversion it will be transferred via a ground lease to an affiliated joint venture entity that will then lease the space to a lessee which has yet to be determined. The condo mapping process is 70% complete. The space is situated at the corner of the vibrant Mission Street and 29<sup>th</sup> Street, a prime location that is surrounded by a diverse range of retail stores, restaurants, and service providers. The area already attracts a steady stream of foot traffic from residents. The partnership hopes that the Project's high visibility and engagement will allow it to become a cornerstone in an active commercial hub.

##### 4.5.2. Commercial Leasing Plan.

Phase 1 of the Partnership's outreach included discussing the Project's commercial/retail space opportunities. This outreach will help to inform the needs in the community and help spread the word about the space. The development team has produced a commercial leasing plan that takes into account market conditions, demand and historic uses of the space.

Phase 2 of the outreach process will focus on the leasing of the commercial space. The community engagement team will conduct a survey to get community feedback on the commercial space. When a building permit is secured (forthcoming in the third or fourth quarter of 2024) Bernal intends to engage the DN Group, a commercial broker familiar with the neighborhood. The space will be marketed to non-formula retail, community-oriented retail, and public benefit uses. The commercial broker will list the property and Bernal will commence outreach to community groups in tandem.

The sponsor has not determined whether they will pursue a community serving tenant at this time. Based on market conditions and community input the sponsor has said they are not likely to pursue a community serving tenant. Accordingly, current plans and budgets reflect building the space out to cold shell. If a public serving use, as defined in the MOHCD Commercial Space Underwriting Guidelines, is chosen, the Sponsor will seek funding to complete a warm shell build out. If a non-

Public Benefit Use is secured, build out would be to cold shell with no additional increase to the commercial budget.

A commercial leasing plan is attached as Exhibit N.

#### 4.5.3. Commercial Operating Pro Forma.

The Commercial Space is likely to lease at market rate at \$44/sf/year which equals an estimated \$34,144 per year under a triple net lease. The property has superior visibility and frontage on two streets. The comparable commercial properties range from 500 to 1,500 rentable square feet and are similarly located within the Mission/Potrero or Southern City submarkets. Additionally, the comparables have an average asking rent of \$46.58/sf/year, making the Commercial Space well-positioned to command similar rates. A community serving space would yield lower rent. Year 1 assumes 50% vacancy and out years assume a 20% vacancy.

At permanent loan conversion when the commercial parcel is transferred to the commercial entity, the commercial portion of the MOHCD loan will be recorded against the commercial parcel. Per MOHCD policy, if the space is not a community serving use, 40% of net commercial cash flow will go to MOHCD to repay the commercial loan, which will be 55 year term at 3% interest with residual receipts. The remainder of cash flow will go to the sponsor. If the space is leased to a community serving tenant, the loan will be deferred.

If the project is not able to lease up units at 80 AMI and must reduce rents, then commercial income will need to be re-routed to the residential project in order to maintain positive cash flow.

#### 4.5.4. Tenant Improvement Build Out.

The hard cost budget includes \$761,154 for commercial development costs based on a pro-rata square foot cost. This is currently structured as a cold shell cost based on the assumption that the parcel will have a non-community serving use. In the event that the project does instead pursue a community serving use, the project may seek MOHCD approval to use any remaining funds or contingency to increase to a warm shell scope, or seek third party funds. The General Contractor estimated that a warm shell build out would increase costs by \$68,000.

Any tenant improvements beyond warm or cold shell will be funded by non-City sources.

#### 4.6. Service Space.

The Sponsor proposes a resident services program and meeting spaces for the residents on the ground floor. There will be a manager’s office (78 sq. ft), mail and package room and a social services office (73 sq. ft) for Bernal Heights Neighborhood Center’s (BHHC’s parent organization) Service Connection team to serve the 35 households. A community room of 337 square feet will promote resident programming like health and wellness, educational and community building activities and other services as listed in Section 8.1. The community room should be able to accommodate about 24-25 people at a time per code.

4.7. Interim Use.

N/A - The building is uninhabitable.

4.8. Infrastructure. N/A

4.9. Communications Wiring and Internet Access.

The Project design team will be working with Department of Technology to provide free Internet to all residents in addition to the standard access to Comcast and AT&T. The Project will also be providing standard wiring and pathways for access to Satellite TV.

4.10. Public Art Component. The Sponsor will utilize the community to help select the most appropriate art for this space along with an Art Consultant. Nine initial proposals were received and evaluated in June 2024. Three final bids will be submitted in mid-September with the selection occurring in October 2024. The Project is currently planning on a public art budget of \$101,000 based on the amount of MOHCD funds and hard costs in this requested commitment.

MOHCD Committed	\$16,591,242
TDC	\$39,329,242
Hard Cost Total	\$23,942,253
<b>Public Art Requirement Calculation</b>	
1%	1%
Construction Cost	\$23,942,253
Percent funded by MOHCD (MOHCD Committed / TDC)	42.19%
<b>Public Art Requirement</b>	<b>\$101,002</b>

4.11. Marketing, Occupancy, and Lease-Up

Due to the size of the Project, MOHCD’s typical requirement to set aside 20-25% of units for homeless households was waived by loan committee at approval of the preliminary gap loan commitment.

The team aims to reach a broad range of prospective tenants by conducting targeted marketing to:

- Church/faith-based organizations;
- City and County of San Francisco agencies and SF Unified School District workers who seek housing in San Francisco;
- Civic organizations that promote business, health and human services, community development, job training and placement, etc.
- Non-profit, community-based organizations and their networks of service providers/community partners;
- Social media and radio public service announcements.
- Federal agencies involved in human services including Job Corps and AmeriCorps.

The Sponsor will submit a marketing plan 9 months prior to TCO to be approved by MOHCD that will specifically focus on engaging the local community and the broader African American population across San Francisco, as well as Certificate of Preference Holders displaced to outside of San Francisco. Both TCDC and BHHC have significant experience and relationships in these communities and will leverage those connections to successfully solicit applications.

The following preferences will apply for the 34 lottery units.

MOHCD Preference	Applicant Category
1	Certificate of Preference (COP) Holders
2	Displaced Tenants Housing Preference (DHTP) Certificate Holders (20% of the 34 lottery units; 7 units total)
3	Neighborhood Preference (40% of the 34 lottery units; 14 units total)
4	Live/Work in San Francisco
5	All Others

The development includes 8 studios at 80% MOHCD AMI. The Sponsor may need to reduce rents on these in order to meet market conditions since studios above 60% AMI MOHCD are often challenging to lease. The Project can still operate with positive cash flow if rents are reduced to 60% AMI MOHCD but will need to draw on commercial operating income to do so into year 20. Commercial operating income cash flow split will be conditioned based on this to ensure long-term sustainability of the project.

4.11.1. Formerly Displaced Tenants

The issue of right of return for previous tenants prior to the 2016 fire was reviewed by the City Attorney who determined MOHCD is not required to provide the originally displaced tenants with any specific return option to the building. MOHCD may still have the latitude to provide tenants displaced from the fire with access to Displaced Tenant Housing Preference to apply for this and other projects, but this would require a waiver of current processes, which MOHCD will continue to explore. MOHCD was able to find some contact information for the displaced tenants but not for all tenants. The only existing records are a rent roll with some outdated contact information from the previous owner that was provided as part of due diligence for the sale of the property.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LB E	Outstanding Procurement Issues
Architect	BAR Architects & Interiors	Yes	No
Structural Engineer	Holmes	Yes	No
Historical consultant	Page and Turnbull (Existing Facade)	No	No
Dry Utilities	UDCE	Yes	No
Civil Engineer	Telamon	Yes	No
Geotechnical	Partner Engineering and Science, Inc.	No	No
Landscape Architect	AWA (Adrienne Wong)	Yes	No
General Contractor	Guzman Construction	Yes	No
Owner's Rep/Construction Manager	Plant Co.	Yes	No
Financial Consultant	Community Economics	No	No
Legal	Sheppard Mullin Lubin Olson & Niewiadomski Goldfarb + Lipman	No Yes No	No
Property Manager	Caritas Management Corporation	No	No
Services Provider	Bernal Heights Neighborhood Center	Yes	No

5.1. Procurement Plan.

The Sponsor has worked with MOHCD and the City's Contract Management Division (CMD) to meet their goal of 25% SBE subcontractor participation. Current contracts amount to 17.09% SBE subcontractor participation with 13% of funds going to LBE's. This is prior to subcontractor award selection by the General Contractor, which should allow them to meet the remaining portion of the goal.

## 5.2. Opportunities for BIPOC-Led Organizations.

While it can be a challenge to find San Francisco based BIPOC organizations that have specialized skills for development, the Project team is increasing the contracting with BIPOC-led organizations.

The development team is composed of 3 BIPOC developers. The development will also use a variety of BIPOC consultants:

- BAR Architects & Interiors has a BIPOC led team
- Holmes Structural Engineering has a BIPOC Principal Lead
- EDesign C- MEP Engineers is an LBE/WBE and has a BIPOC Principal lead
- Telemon - Civil Engineer is a WBE and has a BIPOC Principal Lead
- UDCE - Joining Consultant is an LBE/MBE and a BIPOC Principal Lead
- ATM is a BIPOC Team

The Sponsor has created a BIPOC-led or owned organization list for distributing contracting opportunities to nearby cities and across the state. The Sponsor included meaningful scoring in the RFQ and RFP procurement process for professional services (i.e., Owner's Rep, General Contractor, etc.) for organizations with racial and gender equity-centered initiatives in regard to advancement within the organization, hiring and subcontracting.

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

### 6.1. Prior MOHCD/OCII Funding:

\$6,500,000 awarded for predevelopment (\$2,349,000) and acquisition (\$4,151,000). The loans were approved at Loan Committee on 8/25/2023 and closed on 1/26/2024.

In order to apply for TCAC the Project was approved by Loan Committee for preliminary gap funding of \$15,814,553 made up of \$4,151,000 in acquisition funds and \$11,663,553 in gap funds.

### 6.2. Disbursement Status.

The Project has incurred costs dating back to 7/20/2022. Loan Committee approves payment of costs no earlier than 7/20/2022 so long as these costs are deemed acceptable and correspond to the predevelopment budget attached herein. All costs prior to predevelopment closing were paid by the

Housing Accelerator Fund (HAF) predevelopment loan which was paid down at construction closing. The latest predevelopment closing draw was \$663,722.06 on 6/7/2024 and only \$387 remain to disburse. Remaining predevelopment costs will be covered by a loan from the tax credit syndicator, Enterprise, which is expected to have 7% interest and be unsecured. Use of this loan is subject to final approval from MOHCD based on the terms.

6.3. Fulfillment of Loan Conditions. From February 2024 Preliminary Gap Loan Committee

1. Sponsor and MOHCD to evaluate and adopt a land ownership strategy+ during the predevelopment period.

Status: Completed. MOHCD will take ownership of the land and ground lease it back to the partnership before construction closing. Sponsor will create a separate commercial parcel at permanent loan conversion.

2. Sponsor to incorporate higher construction contingency based on the assessment of the MOHCD Construction Representative and 5% year over year cost escalation to reduce the potential risk of cost overrun.

Status: Currently holding 7.2% hard cost contingency, which provides additional buffer beyond the normal 5% required.

3. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on:
  1. Community outreach completed,
  2. Outcomes achieved related to racial equity goals, and
  3. Commercial-use programming.

Status: In Process. Sponsor provides monthly reports.

4. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines and MOHCD Commercial Space Underwriting Guidelines prior to preliminary and final gap loan evaluations.

Status: Complete.

5. Sponsor must provide MOHCD with a services plan and proposed staffing levels that meet MOHCD underwriting standards prior to gap loan approval. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to gap loan approval.

Status: Completed. Any changes to program will require additional approval.

6. Sponsor must work with MOHCD staff and Project's General Contractor to Value Engineer construction budget.

Status: Completed two rounds of VE with MOHCD Construction Representative.



7. Sponsor will continue to work with MOHCD to review income targeting of units above 60% AMI and will adjust accordingly before the TCAC application based on the market study.

Status: Completed.

8. Sponsor must provide signed LOI/s from commercial tenant prior to MOHCD's gap loan closing.

Status: Sponsor has provided commercial leasing plan and marketing package from broker. Will pursue LOIs during construction phase.

9. Sponsor must provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall Project costs and maximize efficiency of MOHCD gap loans. This analysis will include evaluating whether the Project can support permanent debt once a full market study is completed before the TCAC application.

Status: Sponsor went through two rounds of value engineering and market study determined permanent debt was not feasible.

8. Sponsors will provide feasibility and analysis of commercial space within 90 days of Loan Committee approval.

Status: Complete, sponsor sent detailed plan. Attached as Exhibit N.

9. Sponsor must provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for preliminary gap loan prior and to the TCAC application, including outcomes achieved related to racial equity goals.

Status: Complete, sponsor sent detailed plan. Attached as Exhibit N.

10. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all selected investors and lenders; and d) provide for MOHCD review and approval of all Letters of Intent from financial partners.

Status: Incomplete - sponsor still has not provided. Sponsor provided initial LOI and term sheet but not matrix.

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

Status: To be completed. Project has not reached this stage yet.

12. Sponsor must provide quarterly updated response to any letters requesting corrective action.

Status: In Process. No corrective action letters at this time.

13. Sponsor will review operating budget further with MOHCD to ensure maintenance and property management staffing is adequate. MOHCD will approve final budget before gap loan evaluation and TCAC application.

Status: Completed. Reviewed and approved as part of this evaluation.

14. Sponsor must work with MOHCD Construction Management team to ensure all CMD/OLSE requirements are met for procurement of contractors. The procurement requirements also apply to any contractors used prior to receiving MOHCD funds who were not part of the NOFA application. MOHCD must receive RFP for owner's representative and architect no later than 10/1/23 and for General Contractor by 12/1/23.

Status: Completed. Development team continues to comply ongoing.

15. The development budget must be updated in consultation with the GC once selected and then must be reviewed and approved by the MOHCD CR before preliminary gap loan evaluation.

Status: Completed. Reviewed as part of this evaluation.

16. Should Project Based Vouchers or other subsidy become available, the Project team will apply for any Section 8 Project Based before the construction closing for the Project. Section 8 vouchers would allow the Project to support debt and additional property management staffing. In addition, the Sponsor will need to complete a NEPA.

Status: Not applicable. Have not been available thus far.

17. RFP for any required public art must be completed before final gap loan evaluation.

Status: Completed. RFP has been completed and sponsor is in process of choosing from proposals with help of public art consultant.

18. MOHCD requires development team to work with MOHCD Project manager and construction representative on RFP and selection of legal and financial/syndication consultant firms to ensure firms have relevant experience in San Francisco.

Status: Completed for legal and financial consulting.

19. Development team must submit asset management plan to MOHCD and have it approved by MOHCD Asset Management Director by final gap loan evaluation.

Status: Completed. Detailed asset management plan was sent by sponsor.

20. MOHCD must also approve property management firm selection and procurement process. Property management firm must be selected during predevelopment phase to inform the design of the Project.

Status: Completed. MOHCD approved Caritas selection.

21. Development team must use a MOHCD approved third party leasing consultant to ensure timely lease up.

Status: Completed. MOHCD approved Caritas who has experience. MOHCD will work with sponsor to ensure Caritas adequately staff lease up.

22. As a loan condition the development team will work with CMD, OLSE and MOHCD to ensure all procurement policies are followed and deadlines for procurement of architect, owner's representative, property management and general contractor are met.

Status: In process – no issues thus far.

23. Sponsor must provide MOHCD with an analysis of whether additional ground floor residential units could be added if commercial space is removed and the associated budget impacts. Similar analysis to be performed on value and necessity of condo'ing any commercial space.

Status: Completed.

24. Sponsor and MOHCD will revisit reduction in ground lease payment if the project receives Project Based Section 8 vouchers or other rental subsidies.

Status: In process – not relevant at this time.

25. MOHCD must approve selection of the construction lender, equity investor and any mezzanine or additional predevelopment debt.

Status: In process – sponsor has received offer from Enterprise but not finalized.

26. Sponsor must apply for FHLB AHP and use source to reduce MOHCD gap loan.

Status: In process – not to this phase of project yet. Project not competitive until in construction.

#### 6.4. Proposed Predevelopment Financing

##### 6.4.1. Predevelopment Sources Evaluation Narrative

The Sponsor requested and was awarded \$6,500,000 in acquisition and predevelopment funds from the 2023 MOHCD Site Acquisition NOFA. The development team acquired the property in June 2023 using a \$3,850,000 loan from the San Francisco Housing Accelerator Fund (SF HAF). The MOHCD predevelopment and acquisition loan closed in January 2024 and took out that HAF loan, thus reducing carrying costs, and providing

additional funds to fund predevelopment activities. MOHCD loan closing was on 1/25/2024.

## 6.5. Permanent Financing

This evaluation is for approval of the final loan amount. The loan will then go to the Board of Supervisors for approval prior to the November 2024 loan closing.

### 6.5.1. Permanent Sources Evaluation Narrative.

- 9% Tax Credit Equity (\$22,738,000): Assuming \$0.915 cents per credit, with Enterprise pending selection as investor. Project was awarded credits in 2024 Round 1 of the 9% tax credit program and was in the MOHCD 9% queue. The only direct investor to express interest was U.S. Bank but their high operating expense assumptions would have required a COSR and thus netted out any advantage to higher pricing. Further, as a smaller less experienced sponsor team, pricing was naturally lower than on other projects.
- MOHCD Gap Loan (\$12,440,242):
  - \$2,349,000 (\$6,500,000 predevelopment/acquisition loan previously approved; less the \$4,151,000 value of the land)
  - \$7,991,242 in permanent gap (net of land value) that is being requested at this time. This will be structured as residual receipts with 3% interest and a term of 55 years.
  - \$2,100,000 in AHP bridge loan that will be paid back to MOHCD if the project is awarded FHLB AHP. The project will apply in 2025 and again in 2026 if not successful in the first attempt.
- Construction Loan (\$18,492,150): While not a permanent source, the construction loan terms are Daily SOFR+2% for 28 months. This is currently 7.3% all in. The lender also requires a 0.5% interest reserve cushion, so the project must budget assuming 7.8% interest rate. Citizens Bank has submitted a term sheet pending selection. The term sheet includes a 1% origination fee as well. Interest carry estimates are relatively low because MOHCD funds will cover first year of construction, then a large portion of tax credit equity (\$15 million) will come in at completion to pay down the construction loan.
- FHLB's Affordable Housing Program (AHP) - The Project will self-score for AHP and apply for \$2,100,000 in AHP funds if feasible in 2024 or 2025 round. If awarded, then funds will come

through during construction and will be used to reduce the MOHCD gap.

Permanent debt is not feasible at this time because of declining cash flow in later years.

The Project is also requesting support in meeting their liquidity guarantees, which lenders and investors require to insure sponsors have cash on hand to address additional costs. The sponsors who would otherwise provide the liquidity for the guarantee, BHC and TCDC, are small community based organizations and lack significant cash to use for reserves. The investor and construction lender require a certain amount of liquidity to guarantee completion of the project. MOHCD will accordingly provide a \$1,000,000 fund to support the guarantees which will not otherwise be used for any project costs. This allows small developers to enter this space that is otherwise often dominated by large organizations. The total liquidity required is \$1 million and a portion will still likely be covered by the sponsors depending on the lender and investor requirements. Depending on the advice of the City Attorney and requirements of the investor and lender they guarantee may be provided directly to the sponsor, not to the limited partner entity.

#### 6.5.2 TCAC Application:

San Francisco receives a geographic allocation of 9% tax credits and the first tiebreaker for an award in this category is a letter of support from MOHCD. MOHCD awarded the Project the allocation through a competitive process in early 2023 and the Project applied in February 2024. The Project did not score full points and was initially disqualified due to errors in the workbook and the exhibits, which also reduced the total credit award by \$150,000 over the 10-year period. However the Project was awarded tax credits in May 2024 after a successful appeal to the Committee.

#### 6.5.3 HOME Funds Narrative: N/A

#### 6.5.4 Commercial Space Sources and Uses Narrative:

The commercial uses are \$761,154 in hard costs and \$425,000 in commercial developer fee for a total of \$1,186,154, which will be covered a separate commercial loan. The current commercial space budget assumes a cold shell only because final use of the space is still being evaluated based on market conditions. A warm shell is only expected to add \$68,000 in costs and would only be pursued if funds are available and an eligible community serving tenant is identified to lease the space. As noted above,

the Sponsor submitted Commercial Leasing Plan for approval before Final Gap request.

6.5.5 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$680,082/unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 7.2% with a total of 7.4% contingency for plan check, to be removed at GMP later in August to reduce total loan amount prior to closing.
Architecture and Engineering Fees are within standards	Y	Total of \$2,435,520 for architecture and engineering. Reasonable per MOHCD construction management team.
Construction Management Fees are within standards	Y	\$427,528 in total exceeds MOHCD UWG but this was bid out and no lower cost options were available even after negotiating this price down and outreach by MOHCD staff
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1,100,000 At risk fee: \$1,100,000 Deferred fee: \$0 GP equity: \$0 Commercial fee: \$425,000 Total fee: \$2,625,000
Consultant and legal fees are reasonable	Y	Includes syndication, financial consultant, construction closing legal and community outreach.
Entitlement fees are accurately estimated	Y	
Construction Loan interest is appropriately sized	Y	Yes, given current rate environment.
Soft Cost Contingency is 5-10% per standards	Y	Soft Cost Contingency is 5.2%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 6 months due to requirement from investor.

The contingencies are slightly higher than MOHCD underwriting allows for in typical new construction, but staff feel this is reasonable given the challenges with the façade.

**6.5.6 Developer Fee Evaluation:**

The fee conforms to MOHCD policies. The Project is eligible for \$2.2 million in residential developer fee and for additional \$425,000 in commercial developer fee, which assumes the Sponsor will condo the commercial space. Any fee over \$2,500,000 will need to be paid to a separate commercial entity that the project team would need to establish, the structure of which has not been finalized.

The milestones for the payment of the developer fee to the Sponsor are specified below:

Total Developer Fee:	\$2,625,000	
Project Management Fee Paid to Date:	\$550,000	
Amount of Remaining Project Management Fee:	\$550,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$425,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$0	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$0	N/A 9%
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Construction close	\$220,000	20%
Construction Completion	\$220,000	20%
Project close-out	\$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as AtRisk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%

Milestones for Disbursement Payable for Commercial Developer Fee	Amount Paid at Milestone	Fee Percentage
At completion of condominium subdivision mapping	\$106,250	25%
Executed LOI with commercial tenant	\$106,250	25%
Executed lease with commercial tenant	\$106,250	25%
Occupancy by commercial tenant provider	\$106,250	25%
<b>Total Commercial Developer Fee</b>	<b>\$425,000</b>	<b>100%</b>

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

7.1. Annual Operating Budget.

The Project has no operating subsidies and is on par with similar properties for per unit costs. Operating a small building reduces some economies of scale compared to larger properties.

Given that the Project would otherwise be eligible for additional fee as a 4% BIPOC joint venture under CDLAC and for the commercial project, MOHCD staff is asking Loan Committee for a waiver to allow for 50% of residential cash flow to go to the Project team up to year 15, instead of 33%. This is allowed typically in MOHCD transactions as deferred developer fee but is not structured in that manner here due to limitations of the 9% LIHTC program and thus the project seeks a waiver to achieve equal outcomes for cash flow split to a normal 4% project. Similarly, in line with MOHCD’s policy for emerging developers, the project seeks a waiver of payment of residual receipts for the first five years of operation, which is allowed under the underwriting guidelines.

Given these challenges Staff will require Sponsors to seek operating subsidy sources such as Project Based Vouchers (PBVs) from the SF Housing Authority in order to maximize operating income and cross subsidize the 30% AMI units.

Project must allocate net commercial cash flow as needed to the residential portion of the project if the residential net income cannot cover all above the line operating expenses.

The property management and maintenance staffing was based on per unit staffing at other BHC properties and the sponsor plans to share staff across multiple nearby properties they manage.

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N/A	Project cannot support debt.
Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5%, received a TCAC waiver since TCAC standard is 10% for SRO housing type.



Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$11,312 per unit, which is below the average of \$18,036 for similarly sized projects assuming comps for 2024 based on 2021 AMRs. Most of the difference is from lower utilities due to studios and the newer construction/all-electric nature of this building.
Property Management Fee is at allowable <a href="#">HUD Maximum</a>	Y	Total Property Management Fee is \$33,048 or \$79 PUPM, below the HUD maximum
Property Management staffing level is reasonable per comparables	Y	Proposed staffing: 0.3 FTE Property Manager (PM) 0.3 FTE Maintenance Tech Contracted Janitorial
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$0/yr. Annual PM Fee is \$50,249/yr. Above the line AM fee cannot be supported due to low long term cash flow. This total combines maximum allowable for above and below the line management fees to the sponsor, per the MOHCD Operating Fees Policy.
<i>For TCAC projects:</i> Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year
Limited Partnership Asset Management Fee meets standards	Y	\$5,000 per year meets standard.

See Operating Expenses Comparables Chart below:

Comps Data Source and Assumptions - Summary	Reporting Year of AMR Data	2021	Enter Year Needed Comps	2024	Enter Annual Escalation	3.50%	INCOME AND EXPENSES ESCALATED TO 2024										AVERAGES	
Escalated Op Exp PUPA for year 2024		\$18,189	\$25,402	\$15,489	\$18,061	\$20,626	\$18,877	\$14,427	\$15,225	\$16,927	\$17,139	\$18,036						
SUMMARY	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8	Comp 9	Comp 10	AVERAGES							
Project Name	Del Carlo Court	Laria Alicia Apartment	518 Minna	is Street Family Apartma	Park Family Hous	Gabrella Apartments	1101 Howard	1028 Howard	Namki Apartments	421 Turk								
# Units	25	20	305	24	38	1002	26	34	50	34								
Project Key	231	292	305	24	38	1002	26	34	50	34								
TOTAL OPERATING EXPENSES: (compare w/row B2 in MOHCD proforma)	\$454,716	\$508,033	\$371,732	\$686,323	\$536,277	\$547,434	\$490,525	\$456,747	\$575,504	\$497,037								
Expense PUPA	\$18,189	\$25,402	\$15,489	\$18,061	\$20,626	\$18,877	\$14,427	\$15,225	\$16,927	\$17,139								
Total Income	\$419,222	\$582,397	\$456,064	\$896,278	\$484,282	\$722,339	\$755,764	\$772,734	\$1,148,974	\$649,977								
TOTAL OP EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	\$454,716	\$547,947	\$384,141	\$871,028	\$581,754	\$557,080	\$567,431	\$519,597	\$607,214	\$535,655								
NDI	-\$35,494	\$35,030	\$71,924	\$25,250	-\$97,472	\$165,259	\$188,333	\$243,127	\$538,760	\$114,322								
Debt Service Payments	\$0	\$62,335	\$56,072	\$53,364	\$39,598	\$164,130	\$48,645	\$40,317	\$6,992	\$148,205								
Surplus Cash	-\$35,494	\$20,436	\$17,629	\$99,278	-\$46,115	\$1,128	\$139,688	\$202,810	\$531,769	-\$32,108								

7.3. Capital Needs Assessment & Replacement Reserve Analysis. N/A

**7.4. Income Restrictions for All Sources.**

The MOHCD AMI limits are based on the proposed affordability levels from the Site Acquisition NOFA. The TCAC AMI levels are set at equal levels to match the levels for MOHCD since the project is a 9% application and there is thus no incentive to align the rents exactly, since the 9% tiebreaker is not based on rent savings, like the 4% is. The 9% required the units be at an average of 40% TCAC AMI. Thus more rents are deeply targeted than would have been otherwise. The 30% AMI MOHCD units were required by the original NOFA the project was awarded under.

UNIT SIZE		MAXIMUM INCOME LEVEL		
	No. of Units	MOHCD	TCAC	HCD
<b>LOTTERY</b>				
Studio	11	30% MOHCD AMI	30% TCAC AMI	N/A
Studio	15	55% MOHCD AMI	40% TCAC AMI	N/A
Studio	5	80% MOHCD AMI	50% TCAC AMI	N/A
Studio	3	80% MOHCD AMI	60% TCAC AMI	N/A
Studio	1	Manager Unit/Market		
<b>TOTAL</b>	<b>35</b>			
<b>PROJECT AVERAGE</b>		<b>50%</b>	<b>40%</b>	<b>N/A</b>
<b>AVERAGE FOR LOTTERY UNITS ONLY</b>		<b>50%</b>	<b>40%</b>	<b>N/A</b>

**7.5. MOHCD Restrictions.**

Unit Size	No. of Units	Maximum Income Level
0BR	11	30% of Median Income
0BR	15	55% of Median Income
0BR	3	80% of Median Income
0BR	1	Manager's Unit

As stated above in Section 8.2, MOHCD anticipates the 80% AMI units being initially leased at 60% AMI rents given current market conditions. MOHCD is working with the developer to finalize feasible rents for the 80% AMI units based on the market study. MOHCD has confirmed that the project still cash flows if rents are lowered to 60% AMI MOHCD, which marketing staff has shared may be necessary. However, to cash flow at lower rents requires allocating some net commercial cash flow to the residential project.

## 8. SUPPORT SERVICES

### 8.1. Services Plan.

Bernal Heights Neighborhood Center (BHNC) – the parent organization of the Bernal Heights Housing Corporation (BHHC) - will provide an array of culturally and linguistically appropriate community services that are designed to connect residents to resources. The onsite services provide a foundation for long-term independence and stability using an asset-building framework. BHNC's strategies include housing retention, access to life skills training, "warm transfers" to appropriate health, legal or financial services, and development of one's own agency or leadership – fostered through cultural humility principles, attention to trauma, and in a resident's own language.

The Project anticipates hiring 0.5 FTE service connector to provide onsite services, which conforms to MOHCD's underwriting guidelines of one FTE per 100 residents rounded to the nearest 0.5 FTE. This staff member can be shared with one of the other nearby BHNC properties.

The types of services that BHNC envisions providing include the following:

- *Health and Wellness Service Coordination:* wellbeing checks, transportation support to hospitals or other health services, linkages to preventative and behavioral health care providers, health and nutrition education, health fairs, food pantries, physical activity, etc.;
- *Housing Retention Services:* Housing stability support, eviction prevention, lease education, assistance with property management, housing inspections preparation, linkages to financial resources and/or education;
- *Education and Skills for Stability:* Parent support, budget planning and foundational financial literacy programs, workshops, referrals to BHNC employment services, and referrals to outside agencies and providers;
- *Community Participation:* Resident participation through community projects and events, volunteer opportunities, leadership programs, voter education and registration.

For internal processes, BHNC tracks, monitors and reports on their program delivery effectiveness, reviewing:

- Units of service to assess resident service and staff workloads
- Weekly one-on-one meeting with staff
- Bi-weekly case review and department meetings to discuss emerging concerns or troubleshooting
- Quarterly and annual strategizing to fulfill the vision of the program
- Monthly service provider meetings with all BHNC program staff that includes training, best practice development, discussion of challenges and celebrations of successes.

**8.2. Services Budget.**

Services budget will be \$31,000. Source will come from the property operating budget and will comply with MOHCD underwriting guidelines. This includes \$22,467 in salary, \$4,613 in fringe benefits, \$2,727 in program expenses and \$1,192 (4%) in indirect expense/overhead.

**8.3. HSH Assessment of Service Plan and Budget. N/A**

**9. STAFF RECOMMENDATIONS**

**9.1. Proposed Loan/Grant Terms**

<b>Financial Description of Proposed Residential Gap Loan</b>	
Loan Amount:	\$11,254,088
Loan Term:	55 years
Loan Maturity Date:	2079
Loan Repayment Type:	Residual Receipts, with 50/50 split of cash flow
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	Any expenses dating back to July 20, 2022

<b>Financial Description of Proposed Commercial Loan</b>	
Loan Amount:	\$1,186,154
Loan Term:	55 years
Loan Maturity Date:	2079
Loan Repayment Type:	Residual Receipts, with 40% of net cash flow to MOHCD and remainder to sponsor. If needed to cover operating expenses for residential, commercial cash flow must flow to residential first.
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	Any expenses dating back to July 20, 2022

<b>Financial Description of Liquidity Guarantee</b>	
Guarantee Amount:	\$1,000,000
Guarantee Term:	3 years

## 9.2. Recommended Loan Conditions

1. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on:
  1. Community outreach completed,
  2. Outcomes achieved related to racial equity goals, and
  3. Commercial-use programming.
2. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines and MOHCD Commercial Space Underwriting Guidelines prior to preliminary and final gap loan evaluations.
3. Sponsor must work with MOHCD staff and Project's General Contractor to value engineer construction budget.
4. Sponsor will continue to work with MOHCD to review income targeting of units above 60% AMI and will adjust accordingly prior to closing.
5. Sponsor must provide signed LOI/s from commercial tenant prior to TCO.
6. Sponsors will provide Commercial Leasing Plan assessing feasibility and providing analysis of commercial space within 90 days of Loan Committee approval.
7. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners.
8. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the Project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
9. Sponsor must provide quarterly updated response to any letters requesting corrective action.
10. Sponsor must work with MOHCD Construction Management team to ensure all CMD/OLSE requirements are met for procurement of contractors. The procurement requirements also apply to any contractors used prior to receiving MOHCD funds who were not part of the NOFA application. Should Project Based Vouchers or other subsidy become available, the Project team will apply for any Section 8 Project

Based before the construction closing for the Project. Section 8 vouchers would allow the Project to support debt and additional property management staffing. Sponsor complete a NEPA in this scenario and comply with relevant labor standards of PBVs are awarded.

11. As a loan condition the development team will work with CMD, OLSE and MOHCD to ensure all procurement policies are followed and deadlines for procurement of architect, owner's representative, property management and general contractor are met.
12. Sponsor and MOHCD will revisit reduction in ground lease payment if the project receives Project Based Section 8 vouchers or other rental subsidies.
13. MOHCD must approve selection of the construction lender, equity investor and any mezzanine or additional predevelopment debt.
14. Sponsor must apply for FHLB AHP and use source to reduce MOHCD gap loan.
15. If the project the is not able to lease up units at 80 AMI and must reduce rents, then commercial income must be re-routed to the residential project in order to maintain positive cash flow.
16. A separate commercial entity must be established prior to construction loan closing.

## 10. LOAN COMMITTEE MODIFICATIONS

Evaluation for Request of Final Gap Loan Evaluation  
3300 Mission Street, San Francisco, CA 94110

2/2/2024  
39 of 72

### LOAN COMMITTEE RECOMMENDATION

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

DocuSigned by:  
  
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Date: 8/19/2024 | 9:06 AM PDT

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

DocuSigned by:  
  
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Date: 8/16/2024 | 4:31 PM PDT

Elizabeth Hewson for Salvador Menjivar, Director of  
Housing  
Department of Homelessness and Supportive Housing

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

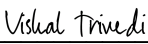
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Date: 8/19/2024 | 2:05 PM PDT

Elizabeth Colomello for Thor Kaslofsky, Executive  
Director

Office of Community Investment and Infrastructure

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

DocuSigned by:  
  
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Date: 8/16/2024 | 4:43 PM PDT

Vishal Trivedi for Anna Van Degna, Director  
Controller's Office of Public Finance

- Attachments:
- A. Project Milestones/Schedule
  - B. Borrower Org Chart
  - C. Developer Resumes
  - D. Asset Management Analysis of Sponsor
  - E. Threshold Eligibility Requirements and Ranking Criteria
  - F. Site Map with amenities
  - G. Elevations and Floor Plans, if available
  - H. Comparison of City Investment in Other Housing Developments
  - I. Predevelopment Budget [N/A if gap request]
  - J. Development Budget
  - K. 1<sup>st</sup> Year Operating Budget
  - L. 20-year Operating Pro Forma'
  - M. Joint Venture Agreement
  - N. Commercial Leasing Plan

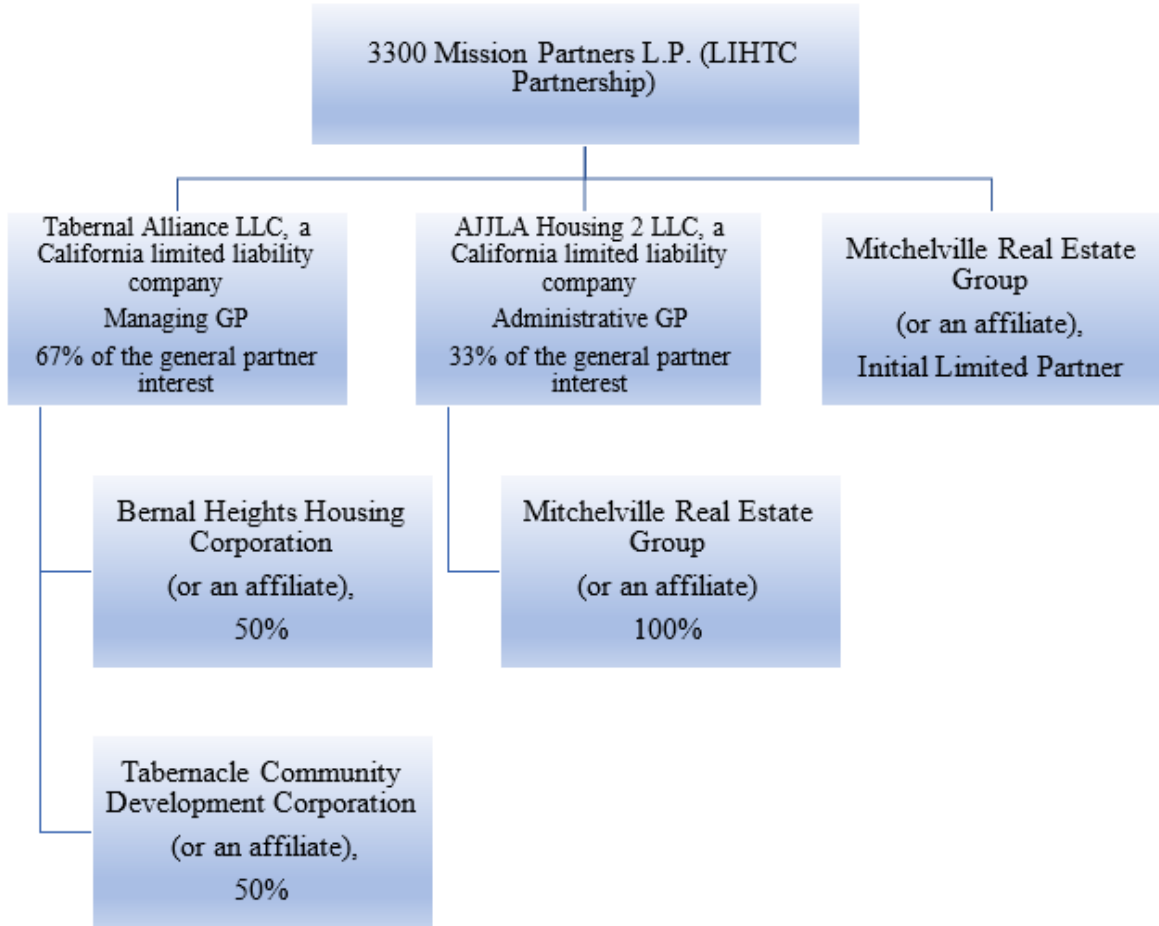
**Attachment A: Project Milestones and Schedule**

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>8/25/2023</u>	<u>Posted on 7/26/2023</u>
1	Acquisition/Predev Financing Commitment	<u>October 2022</u>	
2.	Site Acquisition	<u>6/6/23</u>	
3.	Development Team Selection		
a.	Architect	<u>January 2023</u>	
b.	General Contractor	<u>Q4 2023</u>	
c.	Owner's Representative	<u>Aug./Sept. 2023</u>	
d.	Property Manager	<u>January 31, 2024</u>	
e.	Service Provider	<u>January 31, 2024</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>Q4 2023</u>	
b.	Submittal of Design Development & Cost Estimate	<u>Q1 2024</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>Submitted June 2024</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>90% CD set –June 3, 2024</u>	
5.	Commercial Space		
a.	Commercial Space Plan Submission	<u>July 2024</u>	
b.	LOI/s Executed	<u>TBD</u>	
6.	Environ Review/Land-Use Entitlements		
a.	AB 2011 Application Submission	<u>10/18/23</u>	
b.	CEQA Environ Review Submission	<u>October 2023</u>	
c.	NEPA Environ Review Submission	<u>N/A</u>	
d.	CUP/PUD/Variances Submission	<u>N/A</u>	
7.	PUC/PG&E	<u>February 2024</u>	<u>Approval Pending</u>
a.	Temp Power Application Submission	<u>Subject to GC + Mobilization plan</u>	
b.	Perm Power Application Submission	<u>Subject to GC + Mobilization plan</u>	
8.	Permits		
a.	Building / Site Permit Application Submitted	<u>10/18/2023</u>	<u>Site Development Permit received May 2024</u>
b.	Addendum #1 Submitted	<u>July 2024</u>	
c.	Addendum #2 Submitted	<u>July 2024</u>	
9.	Request for Bids Issued	<u>2nd/3rd Qtr. 2024</u>	
10.	Service Plan Submission		
a.	Preliminary	<u>April 2024</u>	
b.	Final	<u>Q1 2025</u>	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>January 2024</u>	
b.	Gap Financing Application	<u>August 2024</u>	



12.	Other Financing		<u>Team negotiation LOI with Enterprise for Equity</u>
a.	HCD Application	<u>N/A</u>	
b.	Construction Financing RFP	<u>Citizens Bank for Construction Debt. Closing to occur in Q4 2024</u>	
c.	AHP Application	<u>Q1 2026 and/or 2027</u>	
d.	CDLAC Application	<u>N/A</u>	
e.	TCAC Application	<u>February 2024</u>	
f.	Other Financing Application	<u>N/A</u>	
g.	LOSP Funding Request	<u>N/A</u>	
13.	Closing		
a.	Construction Loan Closing	<u>October 2024</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>Q1 2027</u>	
14.	Construction		
a.	Notice to Proceed	<u>November 2024</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>May/June 2026</u>	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>May/June 2025</u>	
b.	Commence Marketing	<u>December 2025</u>	
c.	95% Occupancy	<u>October 2026</u>	
16.	Cost Certification/8609	<u>2<sup>nd</sup>/ 3rdQtr. 2027</u>	
17.	Close Out MOH/OCII Loan(s)	<u>Q1 2027</u>	

**Attachment B: Borrower Org Chart**



## **Attachment C: Development Staff Resumes**

Development oversight will be shared by all parties, with Andre White of MREG providing day-to-day management in consultation with BHHC and TCDC.

### **Bernal Heights Housing Corporation (BHHC)**

- *Gina Dacus, Executive Director* leads both BHNC and BHHC. She leads all housing development, including strategy, direction and guidance around partnerships, service management, community engagement and relationship-building with decision making bodies. As a BIPOC leader, she is passionate about addressing racial equity.
- *Miriam Noboa, Project Manager* supervises current projects and new developments, and oversees major repairs for properties in BHHC's portfolio. She brings to the team two decades of experience in the areas of construction, finance, real estate and social work.
- *Adeline ("Addy") Siew, Controller*, provides oversight to asset management requirements. As CPA to BHHC in 2022 and with over 12 years of accounting experience, Addy's oversight ensures coordination between asset management and finance operations.
- *Connie Xie, Housing Development Coordinator*, was involved with BHHC initiatives through the Bernal Gateway Apartments resyndication. Connie works closely with the asset management consultant to develop strategies for implementation of BHHC's housing vision.
- *Ayanna Weathersby, Asset and Relocation Manager*, oversees daily operations of BHHC properties, including monitoring the activities of service providers and property management companies. She also oversees the pre- and post-relocation of tenants during construction and rehab and site and funding reporting requirements.

### **Mitchelville Real Estate Group (MREG)**

- *Andre White, Project Manager* formed MREG in 2019 and has worked on over \$1 Billion of public, private, and nonprofit real estate transactions involving the acquisition and development of affordable, workforce, mixed-income and market-rate housing. He has a background in real estate development, investment management, and fixed income trading.
- *Robin Shack, Project Administrator*, will provide executive administrative support to Mr. White on the 3300 Mission project, collecting vendor bids and other development processes.
- *Rachel Cheon, Asst. Project Manager*, will provide project management support on all aspects of project. Ms. Cheong has a background in real estate transactional law.

### **Tabernacle Community Development Corp (TCDC)**

- *Dr. James McCray, Executive Director* has provided decades of executive leadership in the development of apartment buildings, senior centers, and churches. Dr. McCray served as Chairman of the SF Parking and Traffic Commission, President of the Board of the SFMTA, and presently as VP of

the Human Services Commission of SFHSA. Dr. McCray has worked on five affordable housing development teams including Ergina Village in SF.

- *Todd Clayter, Project Manager* for real estate development, specializing in pre-development project management, construction management, and LBE participation/contract compliance and reporting. Mr. Clayter has 25 years of development experience, including lead roles in well known projects in San Francisco including the Ferry Building, Oracle Ballpark.
- *Gerald Green, Project Manager* leads TCDC's government and community relations, strategic planning and entitlements. From 1996-2004 he served as Director of the SF Planning Department and managed the adoption of the Mission Bay Redevelopment Plan, and the Hunters Point Shipyard Redevelopment Plan. He has made design recommendations and led many private developments through the Planning/Regulatory/CEQA processes.

**Attachment D: Asset Management Evaluation of Project Sponsor**

Bernal Neighborhood Center (BHNC)’s - Asset Management Department will provide asset management staff for the asset management duties. BHNC’s asset management staff/ consultants and accounting staff will continue to perform compliance and accounting duties for the 3300 Mission Street project during operations.

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

BHHC’s portfolio represents a breadth of complex funding arrangements that is significant for its modest size. Properties in the portfolio reflect a variety of HUD and low-income housing tax credit programs including - HOPWA, LOSP, Section 8, PRAC, etc.

BHNC’s Asset management department currently oversees 197 units of 584 residential units that BHHC owns. Two of the buildings have tax credit units, two properties are HOPWA sites, two PRAC, a senior building, a building for adults with disabilities, and small sites. The properties range in size from two to 135 units and are located throughout Bernal Heights, the Excelsior, Sunnyside, the Mission, the Portola, SOMA, Western Addition, and the Outer Richmond. The residents who live in these properties are low-income seniors or families, adults with physical and/or developmental disabilities, individuals living with HIV/AIDS, and formerly homeless. Overwhelmingly they are also people of color, limited English-speakers and immigrants.

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

Staff, Role	Vacant/Filled	FTE/PTE
Gina Dacus, Executive Director	Filled	FTE, 27% allocation to AM
Ayanna Weathersby, Asset Manager	Filled	FTE, 90% allocation to AM
Kayne Doumani, AM Consultant	Filled	PTE, on project basis
Juana Mejia, AM consultant	Filled	PTE, on project basis for 2 properties
Adeline Siew, Accounting Manager	Filled	FTE, 33% allocation to AM
John Beem, Finance Consultant	Filled	FTE, 50% allocation to AM
Miriam Noboa, Project Manager	Filled	FTE, 100% allocation to AM
Connie Xie, Housing Coordinator	Filled	FTE, 20% allocation to AM

**Description of Scope and Range of Duties of Developer’s Asset Mgmt. Team**

Asset Management Consultants for BHNC/BHHC assist with complex projects, overseeing portfolio sustainability, and a reconceptualization of the staffing pattern. Finance and Asset Management functions were combined during the pandemic due to hiring challenges, as asset management personnel are difficult to obtain. Key development staff - controller, housing project manager, and housing development coordinator, and an asset/relocation manager are in training to grow their staff capacity.

All of the asset management staffing mentioned above provides a range of duties - reviews financials, reporting and communication to all financial partners, aids the approval of all budgets for the properties and operating reserves, submits grants and loan applications to secure or continue operating funding for the property.

BHNC/BHHC adheres to financial policies and procedures covering all areas of finance - treasury, investment, property/plant/equipment, receivables, revenue management, expenditure management, related party transactions and record retention.

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

Asset management oversees all aspects of operation and in daily communication with property management. There is constant coordination between asset management and other departments as listed above. Asset and Property Management work together to coordinate and resolve emergencies at properties and tenant related issues. Further, they collaborate with the accounting team on financial oversight of the properties and create the annual audits & budgets. Asset Management works closely with the Compliance department on compliance issues that directly affect ownership and the partnership.

Asset Management Staffing Budget

The asset management staffing budget for this property is \$56,000.

# of Projects Expected to be in Developer's Asset Management in 5 Years and, if applicable, Plans to Augment Staffing to Manage Growing Portfolio

BHNC/BHHC anticipates that the portfolio will grow from 197 units under asset management to approximately 401 units in the next 5 years.

## 3300 Mission Asset Management Plan Summary

Bernal Heights Neighborhood Center's (BHNC) in-house asset management team will provide its services to 3300 Mission. The team draws from several departments and works together to oversee contracted property management of our 270 residential units and supportive service providers, manage the design and implementation of preventative maintenance plans and ongoing capital planning, and monitor the financial position of our properties to ensure long-term stability of operations.

### **Portfolio**

Bernal Heights Housing Corporation (BHHC) is BHNC's affiliate organization that develops, preserves, and rehabilitates affordable homes through San Francisco. BHHC has a relatively small, but diverse portfolio. The portfolio includes small, supportive housing sites as well as larger, tax-credit-financed properties. The City of San Francisco has funded every property, in combination with a multitude of other funding sources. BHNC serves as the asset manager for the following affordable housing properties:

<b>Name of Project</b>	<b>Address</b>	<b>Residential Units</b>	<b>Commercial Units</b>	<b>Year in Service</b>
St Peter's Place	420 29th Ave, San Francisco, CA	20	0	2011
Mission St- Excelsior Community Center	4466-4468 Mission St, San Francisco, CA	1	1	2008
Crocker Amazon Senior Apartments (CASA)	5199 Mission St, San Francisco, CA	37	0	2005
Eddy St - Positive Match	1652 Eddy St, San Francisco, CA	7	1	2002
Bernal Gateway Apartments	3101 Mission Street and 141 Precita Ave, San Francisco, CA	55	2	2000
Monterey House	403-407 Monterey Blvd. & 457 Detroit St, San Francisco, CA	4	0	1998
Fannie Lou Hamer House (Cortland)	1221-1223 Cortland Ave, San Francisco, CA	2	0	1997

26th St - Magdalena Mora House	2973-2977 26th St, San Francisco, CA	2	0	1997
Hazel Betsey House	3554 17th St, San Francisco, CA	9	0	1997
Market Heights Apartments	211-291 Putnam St & 1000 Tompkins Ave, San Francisco, CA	46	0	1996
Woolsey St	195 Woolsey St & 615-617 Girard St, San Francisco, CA	10	0	1995
Moultrie House	374, 374A, 376, & 376 Moultrie St, San Francisco, CA	4	0	1993
1100 Ocean *Mercy Housing as the Asset Manager	1100 Ocean Ave, San Francisco, CA	71	4	2005
Coleridge Park Homes *BRIDGE as the asset manager	190 Coleridge St, San Francisco, CA	49	0	1989
Holly Courts *BRIDGE as the asset manager	100 Appleton Ave, San Francisco, CA	117	0	2016
Alemanly Apartments *BRIDGE as the asset manager	938 Ellsworth St, San Francisco, CA	150	0	2016
3300 Mission St	3300 Mission Street San Francisco, CA	35	1	TBD - 2026

Total Asset Managed Sites by Bernal

Total Projects	Total Residential Units	Total Commercial Units
12	197	4

\* Does not include 190 Coleridge, Holly Courts, 3300 Mission, and 1100 Mission



## **Organization and Asset Management Staffing**

BHNC has a history of interdepartmental collaboration, adapting staff responsibilities to perform asset management in changing circumstances. The functions are shared between the property management, finance, and housing development departments.

The organization has successfully and competently managed all of its properties since they were placed in service, over 35 years. It contracts with Caritas Management Corporation for property management services. Alemany Apartments (RAD), Holly Courts (RAD), and Coleridge Senior Homes are properties managed by BRIDGE Housing; 1100 Ocean Apartments is managed by Mercy Housing. Caritas' property manager and property supervisor ensure compliance with applicable state, federal, and municipal regulations for each property.

For each of the property management entities, there is a property management supervisor that provides oversight and compliance, while the property management director oversees the property supervisor, and the onsite property managers.

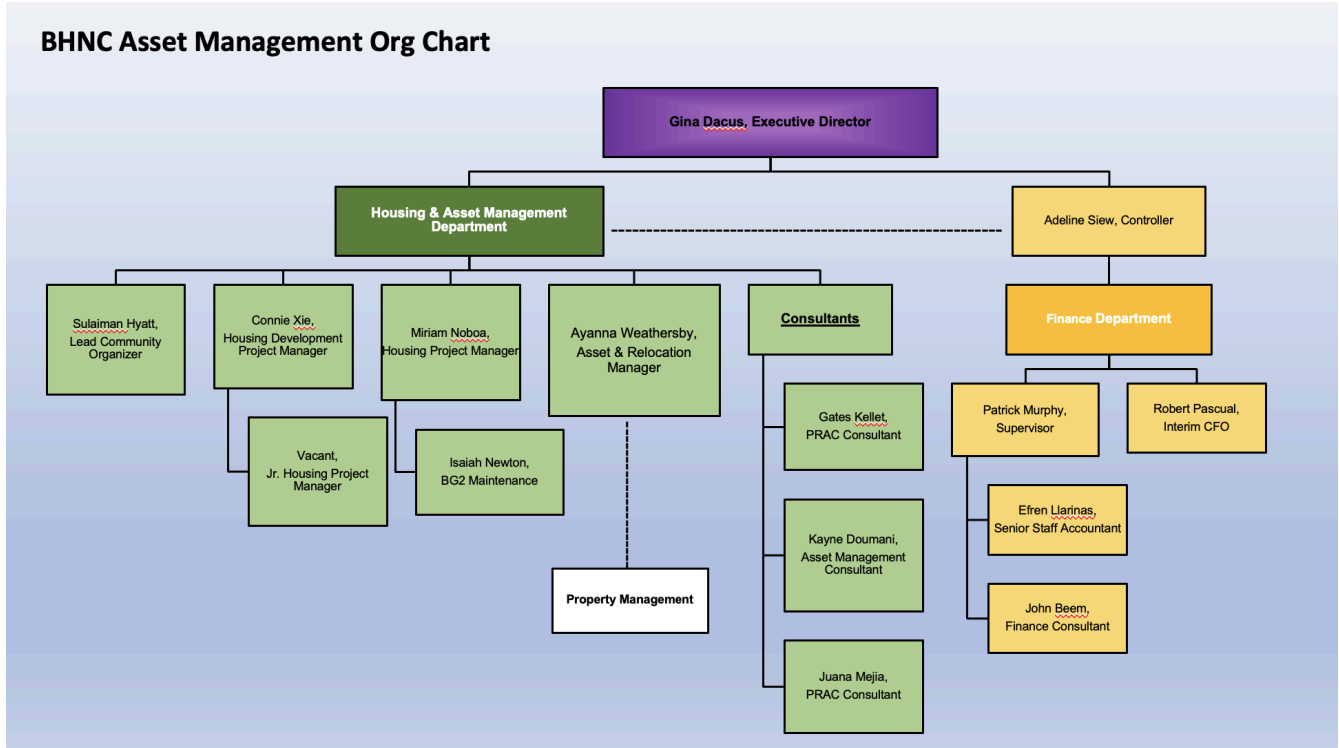
Due to the demands of the City of San Francisco annual grant renewals and the reporting requirements of the properties' many stakeholders, as well as the work involved to coordinate the services of 3rd party property management and service providers, the current BHNC plan for staffing asset management function are listed below:

- Executive Director - 33%
- Housing Project Manager - 100%
- Accounting Supervisor - 80%
- Controller - 20%
- Senior Accountant - 33%
- Asset Manager - 70%
- Housing Development Project Manager - 20% (will shift to the Jr. PM when hired)
- Community Organizer - 25%
- Director of Housing 40% (to be hired)

This staff allocation includes asset management involvement in the 3300 Mission project.

## **Staffing Structure Related to Asset Management**

BHNC's current asset management staffing and structure:



**Asset Management Oversight, Planning, Monitoring and Forecasting**

BHNC went through a transition in the Finance and Asset Management Department in the past two years. Asset Management had been in the Finance Department but it now, as a collaboration of many departments, sits under the Executive Director. As a result of ongoing assessments and input from asset management consultants, we are incorporating strategies and process changes to the work, realigning our structure with monitoring and engaging our property management company. We utilize these consultants for long term and portfolio planning, to provide guidance and direction with complex projects, and to train our staff.

*Oversight and Planning*

The core asset management functions at BHNC are the Reporting function, which includes funding renewal applications for annual grants that support property operations and services, and coordination with property management and resident services providers. Currently, the Executive Director (“ED”) meets with the Controller every week to address and coordinate matters of the organization, including asset management. The Controller works collaboratively to manage and advise the asset management team regarding the overall financial health of the properties as well as long-range planning and risk mitigation.

*Monitoring*

Bi-weekly asset management meetings are held on Thursdays to discuss and resolve operational issues. Caritas’ property management team will occasionally be invited to join the

meeting. During these meetings, the ED, Controller, and Asset Manager address minor and major rehabilitation, regulatory requirements, and other portfolio needs. Caritas reports directly to the BHNC Asset Manager every week regarding operations, finances, and resident matters. Caritas provides monthly financial reporting for all property operations, including the use of replacement reserves for capital needs and maintenance. BHNC's asset management team works with Caritas to evaluate long-term capital needs, including those reported in Capital Needs Assessments, and BHNC procures financing to meet such needs. The BHNC Asset Manager meets with the property managers for all Caritas managed properties to address emerging trends, vacancies, property performance, evictions and tenant needs.

On a daily/weekly basis, the BHNC asset management (AM) team updates the property performance standards and expectations to a program called Asana that assigns tasks and enables tracking of each property. The BHNC AM team receives the monthly financials for all the properties, eight scattered sites (under BHNC) and four large properties (under different single asset corporations) and reviews the statements to track budget variances.

In addition, BHNC hired a community organizer who is also allocated to asset management work. The community organizer will oversee the base-building, issue-based organizing, advocacy and leadership development in support of BHNC's mission. The community organizer will establish and reinforce connections by collaborating with resident service providers, property management, and the asset management team to identify the needs of the residents and communities we serve. They will organize community meetings and events and track the progress of the activities and outcomes to use for long term monitoring of the sustainability of the overall BHNC portfolio.

#### *Forecasting*

BHNC's asset management team along with the finance department, projects expected revenue and expected distributions/shortfalls, clarifies/updates property performance standards and expectations related to occupancy, rent collection, turn around time and waitlist tracking, monitors watch list matters for each property, monitors expected waterfall and any key changes or payments, monitors/ calendars approaching cliffs and other key dates that impact each property, and oversees the onsite services' operations. The BHNC Asset Management team also submits the Notice of Funding Opportunity ("NOFO") (applications), monitors grant progression, conducts monthly operations meetings, collects data, and submits data reports to ensure proper spend downs.

#### **Asset Management Long-Term Financing**

Under the supervision of the Executive Director, the Controller and the Asset Management team, the team meets regularly to address major rehabilitation planning, site compliance, and ongoing project needs. The Bernal team works with property management to monitor the daily operations of the housing sites. The Controller and the Asset Manager are primarily responsible for all existing and new financing including any tax credit, FHA, HUD, or other forms of financing to ensure the long-term physical health of the properties.

1. Annual budgeting process
  - a. BHNC employees review individual and consolidated property budgets for each entity under direct supervision of the organization along with the Caritas Property Management Team to enable efficient and effective spending for maintenance of properties.
2. Coordination with Property Management and Resident Services Providers
  - a. All of BHNC's housing developments are managed by Caritas Management Corporation, while BHNC also coordinates the provision of resident services at several sites to manage tenants and property needs.
  - b. The asset manager holds regular meetings with property management and resident providers not limited to weekly and monthly zoom and in-person meetings.
3. Managing Property Rehabs
  - a. BHNC has obtained funding for several rehab projects to support the sustainability of the housing sites. The Capital Needs Assessment report is done every 5 years for every property and the team reviews the repairs needed. This report is used as a guide for applying for funding pending on the needs and for budgeting and planning purposes.
  - b. BHNC staff has regular reviews of planning for re-syndication, rent and subsidy increases to increase sustainability overall.

### **Asset Management Accounting, Auditing and Admin**

Part of the Asset Management workload includes accounting, auditing and administrative reporting. These sections have been divided into three categories of assessment work with highlights of the tasks within each category:

1. Accounting
  - a. Caritas provides monthly financial information on the eight BHHC-owned sites to the BHNC asset management team. Caritas exports data from their Quickbooks system into Excel, and Bernal imports it into BHHC's Quickbooks system. BHNC finance team does the bookkeeping for the BHHC transactions - deposits, credits, and bank reconciliations.
  - b. The Controller manages the billing of asset management and partnership management fees earned by BHHC from each property.
  - c. The finance team and asset manager tracks rental income from the property due to BHHC, rental payments from BHNC for 4468 Mission property.
  - d. The finance team receives property insurance bills and allocates it out to the properties to pay their share along with the annual audit expenses. The team

also ensures the coordination of all housing corporation audits to see that they occur in a timely manner.

2. Auditing

- a. The Finance Department is required to prepare statements of financial position for timely audits of all properties and entities under the BHHC organization and submit along with Annual Monitoring Reports annually for city oversight and review.

3. Reporting - The asset management team along with the finance department staff prepares and coordinates the preparation of numerous reports and submissions through the year, including:

- a. Annual Monitoring Reports (AMRs) to the Mayor's Office of Housing. AMRs are required for all the properties.
- b. Welfare Tax Exemptions. In conjunction with the Caritas property management team, BHNC submits annual welfare exemptions to the California State Board of Equalization.
- c. Lender reports & Investor compliance and reporting - e.g. HCD and HUD, Enterprise, Bellwether, etc. Property Management provides financial information, rent and occupancy information. The project sponsor is required to include narrative and quantitative data to support program expenses. Reports are submitted on a monthly, quarterly and annual basis depending on the lender/investor.

### **5-Year Projection**

BHHC will continue to pursue affordable housing production opportunities as part of our strategic plan. In the process, BHHC will also focus on replacing or building a new model of property management that matches the current and future needs of our portfolio. BHNC will focus on developing current asset management staff and leveraging the expertise of consultants to address recapitalization of our portfolio, to assess and create efficiencies, and to investigate any possible subsidy increases or other initiatives that will maximize the financial sustainability of the portfolio.

BHHC's current pipeline of portfolio projects is as follows:

- Current Rehab Plans (within the next three years)
  - Conversion of 5199 Mission St (Crocker Amazon Senior Apartments) from PRAC to RAD will be implemented in 2025 when renovations funded from reserves are completed on the project and HUD subsidy rents are increased for future refurbishment projects at the property. Conversion from a PRAC to RAD contract will stabilize rent increases for tenants. At the same time, the plan is to rehab (potentially through tax credits) including windows and roof replacement.

- Resyndication of Coleridge Senior Homes (49 units) will include structural and mechanical improvements, replacement of flooring, improvements to lighting, in-unit rehab. and common area amenities.
- Bernal Bundle small sites rehab will occur November 2024-2025 - Three small to medium sized apartment buildings have been combined into a single entity and was awarded \$6.5 million funding through the MOHCD NOFA process and PASS funding for structural and operational improvement items ranging from seismic retrofit, replacements of deteriorated windows to plumbing, heating, windows, flooring and electrical.
- Green Resilient & Retrofit Program - St. Peter's: If this funding is granted, it will go towards electrical fixture upgrades in the building, door upgrades and exterior painting; to improve the building's climate resilience.
- Asset management strategies outside of rehab:
  - The portfolio in general has some turnover from the COVID-19 pandemic and BHNC is still working with MOHCD, SFHA, HSH and nonprofit partners to fill the vacancies.
  - 4466-4468 Mission has a mortgage with Wells Fargo. It is a fixed interest rate at 7.63% so BHNC staff is working with MOHCD, HSA and other funders/lenders to creatively finance this property and reduce this operating cost.
  - BHNC will provide asset management services for the current developments and all future projects which includes 3300 Mission upon completion of construction, Coleridge Park Homes (49 affordable senior units) post resyndication, 3333 Mission (70 affordable senior units) and all future projects in the pipeline.

**Attachment E: Threshold Eligibility Requirements and Ranking Criteria**

# **NOTICE OF FUNDING AVAILABILITY**

**Site Acquisition and Predevelopment Financing for  
NEW AFFORDABLE RENTAL HOUSING**

**Issue Date: January 27, 2023**

**Application Due Date: April 7, 2023**

## **A. MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS**

### 1. Minimum Development Team Characteristics

The proposed applicant team must include the following.

- A nonprofit developer (or developers) with experience developing permanent affordable housing for low-income households or a for-profit developer working in partnership with a nonprofit developer, of which one of the joint venture partners must have experience developing affordable housing (the “Developer”); the development team must have demonstrated experience conducting effective community outreach and engagement.
- A property owner entity with experience owning housing for low-income communities.
- A property management entity with experience managing housing for formerly homeless families with Housing First principles.
- A community-based, service-providing entity with experience providing culturally competent, and trauma-informed, services appropriate for formerly homeless households in a supportive housing context.

## 2. MINIMUM DEVELOPMENT TEAM EXPERIENCE

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Form 5 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. Qualifying Projects will not be scored; they are used to determine if the proposed Development Team meets the minimum development team experience required to develop the Site.

For Developer and Owner, a **Qualifying Project** must have all of the following characteristics.

- The project must be new construction (not a requirement for Minimum Service Provision Experience) in a construction type appropriate for the proposed site development (not a requirement for Minimum Property Manager and Service Provision Experience).
- The project must include units for households experiencing homelessness.
- The project must be financed in part with Low-Income Housing Tax Credits.

## 3. MINIMUM DEVELOPER AND OWNER CAPACITY REQUIREMENTS



**Minimum Developer Experience:** The proposed Developer must have completed within the past ten years at least **one** Qualifying Project. The definition of “completed” is having received Temporary Certificate of Occupancy by the date of the issuance of the NOFA. For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the NOFA response and must be acceptable to MOHCD.

**Minimum Ownership Experience:** The proposed site owner must have owned at least **one** Qualifying Project for at least five (5) years prior to the submittal deadline of this NOFA. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed “Owner”.

In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

**Minimum Property Manager Experience:** The proposed property manager for the Project must have managed at least two Qualifying Projects, each for at least 36 months. In addition, the Property Manager must provide evidence of experience managing housing financed with Low Income Housing Tax credits and operating projects with a Housing First approach. The Property Manager must demonstrate effective strategies for working with service providers to collaborate on housing stability of residents.

**Minimum Service Provision Requirements:** The proposed service provider(s) must have at least 36 months' experience providing supportive services within a Qualifying Project, including case management and comprehensive services for homeless households in a residential setting. The proposed service provider(s) must demonstrate effective strategies for collaborating with property management on housing stability for residents. The proposed service provider(s) must have the infrastructure to supervise and train onsite staff and their supervisors.

**Other Consultants:** For any applicant team, the experience of key staff members or "other consultants" may be substituted for the experience of the organization as a whole as long as the staff member's or consultant's experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent's team.

**Note Regarding Experience:** For any applicant team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the Site. Any substitution should be clearly identified in Attachment E, Qualifying Project Form.

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the project and manage the asset in the long-term, as further described below.

- **Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment F – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.
- **Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or

collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment G – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

· Asset Management Capacity: The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing (noting job titles), FTEs, and status of each position (filled/vacant), and proposed Owner's organizational chart.

## **B. MINIMUM PROPOSAL REQUIREMENTS**

Eligible Proposals:

1. Must demonstrate site control by applicant as evidenced by appropriate documentation (Deed of Trust, Purchase Agreement, Option to Purchase Agreement.) The proposed purchase price must be reasonable in comparison to other sites in the neighborhood, and in comparison to other affordable housing sites in the City, and must be supported by an appraisal as part of the application package.
2. Must include a description of proposed interim uses for the Site during the extended predevelopment period through 2026. This should include a description of current structures and uses; what if any structures or amenities will be preserved; and the timeline, budget, and scope of planned interim uses. The budget should include a description of how security and other holding costs have been calculated.
3. Must include a description of site context: parcel history; current zoning; parcel configuration, including the need for potential parcel mergers; potential historic resources on the site or adjacent to it; and

prior uses at the site that may have left environmental impacts. Applicant must include a map of neighboring amenities.

4. Must demonstrate ability for the project to make use of streamlined entitlements through SB 35 or another streamlining initiative.
5. Must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication/ subdivision mechanism that will insure long-term affordable housing as the primary use of the land.
6. Must demonstrate overall financial feasibility through inclusion of a Financing Plan. The financing plan must include a detailed Sources and Uses Budget that includes the following and uses the most current version of the MOHCD Underwriting Guidelines, available on the MOHCD website (<https://sfmohcd.org/housing-development-forms-documents>.) The project must be financially feasible, including realistic development and operating budget projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.

- a. Primary capital funding sources can include 4% low income housing tax credit equity with tax exempt bonds, City subsidy, and Federal Home Loan Bank Affordable Housing Program funds, and that may include any other funding sources developers deem applicable, such as State of California Department of Housing and Community Development (HCD) (for example, MHP and IIG) or CalHFA funds. Do not assume use of No Place Like Home funds. Do not assume access to Section 8 (Housing Choice Vouchers, Project Based Section 8, or Continuum of Care, for example.)

- b. Rents set at affordability levels appropriate for the target population.

- i. For the LOSP units serving formerly homeless households, applicants should include a projected rent subsidy amount necessary to ensure affordability and to meet the building's operations and maintenance needs, including adequate reserve deposits, asset management and partnership

management fees, mandatory hard debt payments to HCD, if any, and a minimum of 5 years of deferred developer fee, as applicable. For purposes of this projection, developers should assume that the actual tenant-paid portion of rental income is **\$250** per unit per month for formerly homeless households. *Future projections may differ given the proposed tenant population and subsidy program available.*

While a commitment of capital funding does not guarantee an award of local operating subsidies, the City will work with the selected developer to leverage the most appropriate subsidies to serve the target population.

An application submitted under this NOFA is also considered an application for local operating subsidies should those subsidies be made available and are necessary.

ii. For the non LOSP units serving low income households, sponsors may propose rents up to the maximum tax credit eligible rent under the HUD Unadjusted Metro Fair Market Rent Area that contains San Francisco, as published annually by MOHCD (“MOHCD AMI”). For the LOSP units, sponsors should assume an ongoing rental subsidy sufficient to cover difference between \$250/month tenant payment and 60% MOHCD AMI rent levels.

iii. For units serving seniors age 62+ intending to use the SOS Program subsidy, assume that 40% of the senior units will have an SOS contract. Rents to be set at 15% AMI and 25% AMI, with contract growing at 4% annually.

7. Must demonstrate – through provision of specific examples of inputs used for estimating – that the project’s total development budget, as well as its specific line items, are comparable to recent and similar projects, to industry standards and are compliant with funding source regulations, MOHCD policy and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total development cost, City subsidy, and construction cost.

8. Must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.

9. Must demonstrate competitiveness for State bond and tax credit funds administered by the California Debt Limit Allocation Committee.

10. Proposals that include any displacement/relocation of residential and/or commercial tenants must include a full relocation plan and budget. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified.

11. Must budget for a supportive services and housing stabilization component that is appropriate for the needs of the anticipated tenant population, including households who have experienced homelessness, and within either HSH's or MOHCD's funding guidelines for the services contract.

12. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the project, as well as plans for community engagement going forward. This also needs to cover the entire development period, including interim use and construction work.

13. Must include an operating budget that includes all expenses necessary to properly operate and maintain the building. This budget should include a service coordinator/connector staff position(s), at 1:100, to assist the non-homeless households. A separate budget should be attached for services that will support the households who were formerly homeless, for which the City will provide funding.

14. Must provide a construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.

15. Must include a Services Plan and Budget that complies with MOHCD underwriting requirements. The awarded development team will apply for services funding separately at the appropriate time. However, HSH, MOHCD, and OCII, where applicable, collaborate closely on funding decisions in order to maximize the use of City resources. Capital funding decisions under this NOFA will include review and approval by representatives of these agencies. Successful applicants under this NOFA will receive priority for funding from HSH and MOHCD for services and operating subsidies.

- Operating budgets should include up no (and no more than) 1:100 staffing for the non-homeless residents.
- For the units occupied by formerly homeless residents: assume that services for homeless families will be funded separately by HSH through direct contracts with the Projects' social services providers.
- For the purposes of this NOFA only, respondents should budget \$1,000 per unit per month in services funding for the formerly homeless units. This amount may change during underwriting and services negotiations. Assume 1:20 case management staffing ratios for these units.
- Services funding will be conditioned on continuous compliance with the terms of the Respondent's Local Operating Subsidies Program ("LOSP") agreements with MOHCD as well as the support services agreement held by HSH.

16. Must provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use, which can be printed on 8.5" x 11" paper, no more than two (2) pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. Note: This information does not constitute a formal design submission. There is no reimbursement for costs related to this requirement.

## **C. SELECTION CRITERIA AND SCORING**

Responsive submittals include all the required information listed above, and a background and a vision statement articulating the application of best practices for the successful development of affordable housing and the achievement of desired outcomes and goals.

All applications that meet the Minimum Experience and Capacity Requirements listed in Section IV.B and IV.C will be scored and ranked according to the extent to which their Experience and Vision meets the following selection criteria:

	<b>Category</b>	<b>Points</b>
<b>A</b>	<b>EXPERIENCE:</b>	<b>40</b>
i.	<p><b>Developer (12 pts)</b></p> <ul style="list-style-type: none"> <li>▶ Experience with the following:                             <ul style="list-style-type: none"> <li>○ Completing projects on time and on budget</li> <li>○ Obtaining competitive financing terms</li> <li>○ Developing proposed type of construction</li> <li>○ Developing housing for low-income households, including those experiencing homelessness, as applicable</li> </ul> </li> <li>▶ Building community support through outreach                             <ul style="list-style-type: none"> <li>▶ Current staff capacity and experience to take on this project type</li> </ul> </li> </ul>	
ii.	<p><b>Owner (4 pts)</b></p> <ul style="list-style-type: none"> <li>▶ Track record successfully owning housing financed with Low-Income Housing Tax Credits</li> <li>▶ Experience owning affordable housing for low-income households, including those experiencing homelessness, if applicable</li> <li>▶ Effectiveness of current asset management structure and staffing, given portfolio size</li> <li>▶ Capacity for assuming asset management of an expanded portfolio once the development is complete</li> </ul>	



iii.	<p><b>Property Manager (8 pts)</b></p> <ul style="list-style-type: none"><li>▶ Experience managing property for low-income households, including those experiencing homelessness, if applicable</li><li>▶ Experience achieving high rates of housing retention</li><li>▶ Implements low barrier tenant selection policies consistent with Housing First principles and the HSH Documentation Policy</li><li>▶ Contributes to long-term sustainability of the development</li><li>▶ Achieves cost efficiencies in operations</li></ul>	
iv.	<p><b>Service Providers (8 pts)</b></p> <ul style="list-style-type: none"><li>▶ Experience providing access and delivering services to low-income households, including those experiencing homelessness, if applicable</li><li>▶ Experience linking residents to the City's safety net of services</li><li>▶ Works with property management to achieve high rates of housing retention</li><li>▶ Supports positive outcomes for residents around health and economic mobility</li><li>▶ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years</li><li>▶ Capacity to attract and retain adequate staffing to take on this project</li></ul>	

V.	<p><b>Racial Equity (8 pts)</b></p> <ul style="list-style-type: none"><li>▶ Experience providing housing to COP holders and neighborhood preference holders</li><li>▶ Uses innovative approaches to engagement with COP and neighborhood preference holders</li><li>▶ Demonstrates commitment to racially diverse project development teams</li><li>▶ Demonstrates experience with serving historically excluded communities of color</li><li>▶ Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color</li></ul>	
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<b>B. VISION:</b>	<b>60</b>
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i.	<p><b>Site and Project Concept (15 pts)</b></p> <ul style="list-style-type: none"><li>▶ Proposes site whose location, size, configuration, and zoning support the development of affordable and permanent supportive housing, including ability to maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35.</li><li>▶ Describes vision for a development program at this site, while best achieving the project goals, and includes:<ul style="list-style-type: none"><li>○ A residential program and other envisioned uses;</li><li>○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood.</li></ul></li><li>▶ Indicates populations served by the programs and spaces (families, families experiencing homelessness, young adults, children etc.).</li><li>▶ Describes the interim use strategy, including contingencies for construction start delays of up to three (3) years</li></ul>	
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ii.	<p><b>Community Engagement Strategy (10 pts)</b></p> <ul style="list-style-type: none"><li>▶ Describes community engagement strategy and includes:<ul style="list-style-type: none"><li>○ The team’s philosophy on community engagement</li><li>○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community</li><li>○ Efforts designed to engage all interested community members—particularly BIPOC members of the target populations—and including monolingual non-English speaking community members;</li><li>○ How the Development Team intends to comply with the City’s Language Access Ordinance</li></ul></li><li>▶ Describes the Team’s approach to achieving entitlements for the project expeditiously and the approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations.</li><li>▶ Indicates how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations.</li></ul>	
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iii.

**Services Delivery Strategy (10 pts)**

▶ Describes the Development Team’s services delivery strategy and includes:

- The overall service philosophy;
- Model for providing services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable);
- The services goals of the proposed vision.

▶ A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services.

▶ Describes how services for residents will be coordinated with the existing network of services in

the neighborhood and community.

▶ Describes strategies used to help BIPOC tenants overcome barriers to accessing supportive services and income that mitigate the effects of poverty and

lead to improved self-sufficiency.

iv.

**Finance & Cost Containment Approach (15 pts)**

- ▶ Describes the Development Team's financing approach to the project.
- ▶ Describes how project is strategically positioned to successfully compete for State funding resources, including funding from the CA Debt Limit Allocation Committee and Department of Housing and Community Development
- ▶ Includes the Team's process for structuring the project and controlling development costs.
- ▶ Includes innovative strategies intended to minimize MOHCD's projected capital gap financing.
- ▶ Describes any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses.
- ▶ Includes proforma financials.
- ▶ Includes project design concept to fact check the financials

v.	<b>Racial Equity Strategy (10 pts)</b> <ul style="list-style-type: none"><li>▶ Explains how vision aligns with the primary goals of this NOFA set forth in the Introduction and Project Expectations.</li><li>▶ Proposes a substantive partnership that increases opportunity/capacity for growth of Emerging Developers (smaller organizations).</li></ul>	
<b>TOTAL POSSIBLE POINTS</b>		<b>1 0 0</b>

Projects must receive at least 70 points to proceed through the selection process.

Evaluation for Request of Final Gap Loan Evaluation  
3300 Mission Street, San Francisco, CA 94110

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**Attachment F: Site Map with amenities**

[See attached]



### 3300 Mission Site Amenities

- 3300 Mission Building**
  - 3300 Mission St
  
- Amenities**
  - Holly Park
  - Precita Park
  - Bernal Heights Branch Library
  - The Good Life Grocery
  - Safeway
  - Walgreens Pharmacy
  - Bay West Family Health Care
  - St. Luke's Hospital
  - Sutter Pacific Medical Foundation
  
- Transportation**
  - Cortland Ave & Mission St
  - 30th St & Dolores St
  - Mission St & Powers Ave
  
- 0.4 miles**
  - Circle
  - center point
  
- 1 Mile Radius**
  - Circle
  - center point



**Safeway**  
350 feet from site

**- St. Luke's Hospital**  
**- Sutter Pacific Medical Foundation**  
**- Bay West Family Health Care**  
0.1-0.2 miles from site

**Bus Line 24 & 36**  
1124 feet from site

**Bus Line 12, 14, 49**  
953 feet from site

**Walgreens Pharmacy**  
590 feet from site

**Bernal Heights Library**  
0.43 miles from site

**Holly Park**  
0.398 miles from site

**Project Site:**  
**3300 Mission**

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3300 Mission Street, San Francisco, CA 94110

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## **Attachment G: Elevations and Floor Plans**

[See attached]

PROJECT DATA		PROJECT TEAM	
PROJECT ADDRESS:	3300 MISSION ST, SAN FRANCISCO CA	OWNER/ BUILDER BERNAL HEIGHTS NEIGHBORHOOD CORPORATION, TABERNACLE CDC, & MITCHELVILLE REAL ESTATE GROUP TEL: 843.338.3811 CONTACT: ANDRE WHITE EMAIL: ANDREWWHITE@MITCHELVILLE.COM	ARCHITECT BAR ARCHITECTS & INTERIORS 77 GEARY STREET, SUITE 200 SAN FRANCISCO, CA 94108 TEL: 415.293.5700 CONTACT: PRAMOD SANOOR EMAIL: PSANOOR@BARARCH.COM
ASSESSOR'S MAP PARCEL NUMBER:	BLOCK NO 6635, LOT 001		
ZONING:	MISSION BERNAL NEIGHBORHOOD COMMERCIAL DISTRICT		
GROSS LOT AREA:			
# OF DWELLING UNITS	35		
# PARKING SPACES:	0		
EXISTING SITE USE:	VACANT BLDG, NOT HABITABLE		
HISTORIC STATUS:	NONE		
PROJECT DESCRIPTION			
<p>THE PROJECT IS A 6-STORY BUILDING, WITH 35 HOUSING UNITS AT THE UPPER LEVELS, AND GROUND-FLOOR COMMERCIAL SPACE, COMMON SPACES FOR TENANTS, AND SERVICE SPACES AT THE GROUND LEVEL. UNITS WILL BE 100% AFFORDABLE AND WILL USE PUBLIC FUNDING.</p> <p>THE PROJECT PROPOSES TO KEEP THE EXISTING BUILDING FACADES FACING MISSION &amp; 29TH STREET, AND ADD ADDITIONAL HEIGHT ABOVE IN A RESPECTFUL MANNER.</p> <p>CORNER COMMERCIAL SPACE IS PLANNED ALONG THE BUSY MISSION STREET CORRIDOR. IN 2016 A NEIGHBORING FIRE OCCURED WHICH CAUSED THIS BUILDING TO BECOME UNINHABITABLE.</p>			

**SB-35 STATE DENSITY BONUS SUMMARY**

**STATE DENSITY BONUS LAW ANALYSIS**

THIS IS A 100% AFFORDABLE HOUSING DEVELOPMENT PROJECT, AND IS LOCATED WITH ONE-HALF MILE OF A MAJOR TRANSIT STOP. AS SUCH, RATHER THAN UTILIZING A PERCENTAGE-BASED DENSITY BONUS, THE PROJECT WILL UTILIZE THE HEIGHT INCREASE OF THREE ADDITIONAL STORIES OR 33 FEET PURSUANT TO GOVERNMENT CODE SECTION 65915(D)(2)(D). ADDITIONALLY, ALTHOUGH THE PROJECT WILL BE ENTITLED TO FOUR INCENTIVES/CONCESSIONS, THE PROJECT WILL UTILIZE ONE INCENTIVES/CONCESSIONS. FINALLY, THE PROJECT WILL REQUEST 3 WAIVERS ON THE GROUND THAT APPLYING THE IDENTIFIED DEVELOPMENT STANDARDS TO THE PROJECT WOULD PHYSICALLY PROHIBIT CONSTRUCTION OF THE PROJECT AT THE PERMITTED DENSITY AND WITH THE REQUESTED INCENTIVES/CONCESSIONS.

REQUESTED INCENTIVES/CONCESSIONS		
DEVELOPMENT STANDARD	REQUIREMENT	PROPOSED
1 PLANNING CODE § 134: REAR YARD SIZE	REQUIRED AT THE LOWEST STORY CONTAINING A DWELLING UNIT, AND AT EACH SUCCEEDING LEVEL OF THE BUILDING: 25% OF LOT DEPTH, BUT IN NO CASE LESS THAN 15 FEET.	NONE
2 <i>UNUSED AT THIS TIME.</i>		
3 <i>UNUSED AT THIS TIME.</i>		

REQUESTED WAIVERS		
DEVELOPMENT STANDARD	REQUIREMENT	PROPOSED
1 PLANNING CODE § 252: HEIGHT LIMIT	40'	73'
2 PLANNING CODE § 135: USABLE OPEN SPACE	80 SQUARE FEET PER UNIT IF PRIVATE, OR 100 SQUARE FEET PER UNIT IF COMMON.	735 SF COMMON
3 PLANNING CODE § 208: HOUSING DENSITY	1 UNIT PER 600 SF LOT AREA, OR THE DENSITY OF THE NEAREST R DISTRICT, WHICHEVER IS GREATER	35 UNITS

**UNIT MIX**

LEVEL	ADAPTABLE STUDIO	MOBILITY STUDIO	UNIT TOTAL
6	7		7
5	6	1	7
4	6	1	7
3	5	2	7
2	5	2	7
1	0		0
<b>TOTAL</b>	<b>29</b>	<b>6</b>	<b>35</b>
%	83%	17%	83%
RESIDENTIAL GSF**			11,384
AVERAGE UNIT SIZE (GSF)*			325

\* Unit GSF includes exterior, corridor and half of the party walls

\*\* As calculated in the Preliminary Building Area Tabulation

**PRELIMINARY BUILDING AREA TABULATIONS**

updated 4/25/23

Level	Residential Net Rentable GSF*	Residential Amenity GSF**	Residential Core GSF***	Residential Total GSF	Retail Total GSF	Bldg Core GSF^	Non-Res. Total GSF	Grand Total GSF	Outdoor Total GSF^^
R		0	429	429		0	0	429	735
6	2,150	0	738	2,888		0	0	2,888	0
5	2,150	0	738	2,888		0	0	2,888	0
4	2,150	0	738	2,888		0	0	2,888	0
3	2,467	0	742	3,209		0	0	3,209	0
2	2,467	0	742	3,209		0	0	3,209	0
1	0	1,058	488	1,546	995	457	1,452	2,998	0
B			559	559		2,478	2,478	3,037	
<b>Total</b>	<b>11,384</b>	<b>1,058</b>	<b>5,174</b>	<b>17,616</b>	<b>995</b>	<b>2,935</b>	<b>3,930</b>	<b>21,546</b>	<b>735</b>

**NOTES:**

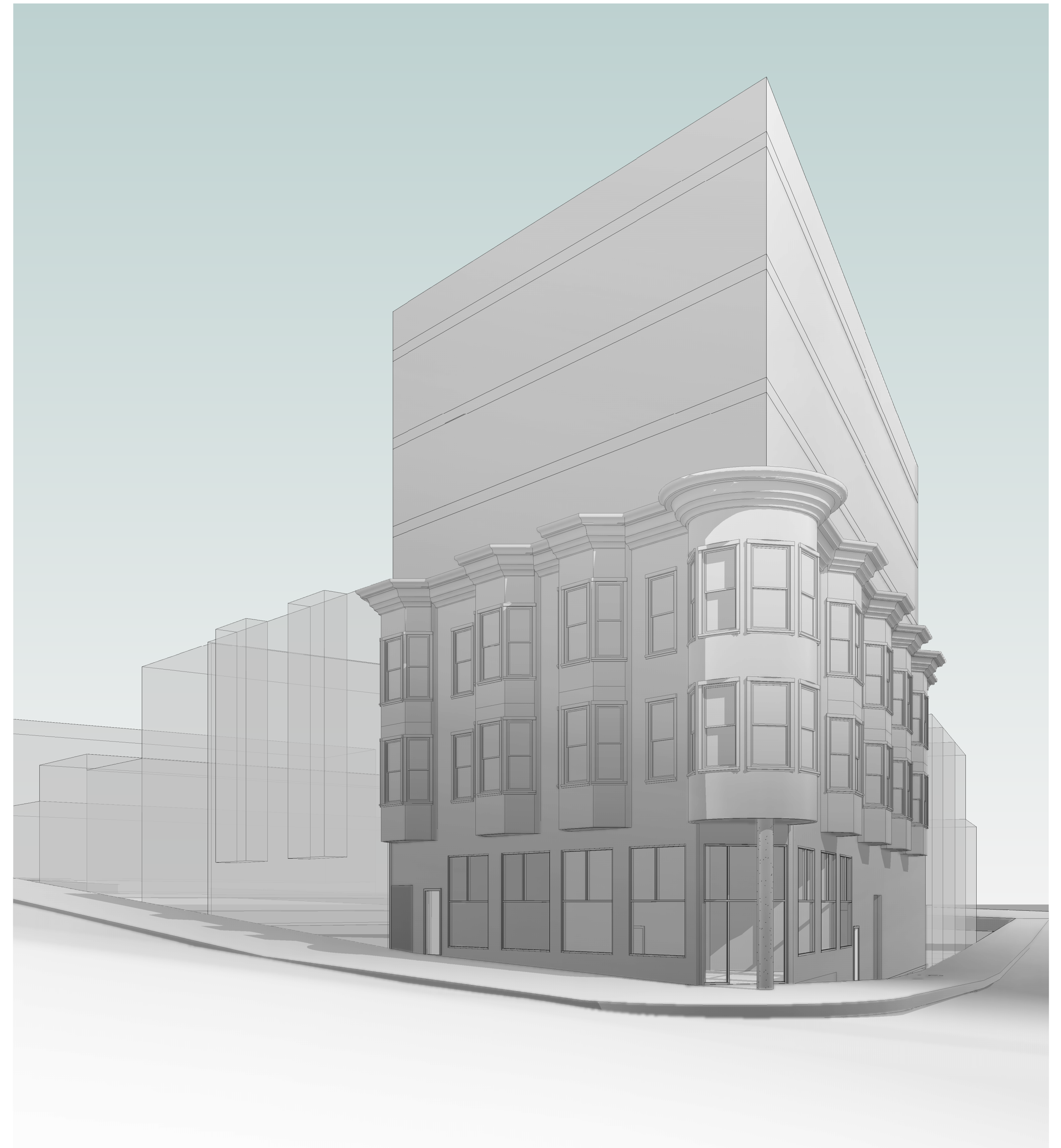
\* Residential Net Rentable GSF calculation includes exterior, corridor and party walls, and half party walls where adjacent to non-residential unit

\*\* Residential Amenity GSF includes community room, entry lobby, offices, laundry

\*\*\* Residential Core GSF include corridors, stairs, elevators, res. level utility spaces

^ Building Core GSF includes large mechanical/utility spaces, etc

# 3300 MISSION STREET SAN FRANCISCO, CA



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## PLANNING CODE ANALYSIS

ELEMENT	PLANNING CODE SECTION	REQUIREMENT	REQD	PROVIDED	INCENTIVE/ WAIVER, NOTES
DWELLING UNIT DEFINITION	SEC 102	A RESIDENTIAL USE DEFINED AS A ROOM OR SUITE OF TWO OR MORE ROOMS THAT IS DESIGNED FOR, OR IS OCCUPIED BY, ONE FAMILY DOING ITS OWN COOKING THEREIN AND HAVING ONLY ONE KITCHEN. A HOUSEKEEPING ROOM AS DEFINED IN THE HOUSING CODE SHALL BE A DWELLING UNIT FOR PURPOSES OF THIS CODE.	NO	N/A	
HEIGHT AND BULK LIMITS	SEC 102, 105, 106, 250-252, 260, 261.1, 270, 271. SEE ALSO HEIGHT AND BULK DISTRICT MAPS	40'		73'	YES
5 FOOT HEIGHT BONUS FOR ACTIVE GROUND FLOOR USES	SEC 263.20	N/A	N/A	N/A	
REAR YARD	SEC 130, 134, 134(A)(E), 136	REQUIRED AT THE LOWEST STORY CONTAINING A DWELLING UNIT, AND AT EACH SUCCEEDING LEVEL OF THE BUILDING: 25% OF LOT DEPTH, BUT IN NO CASE LESS THAN 15 FEET.	YES	NO	YES
FRONT SETBACK AND SIDE YARD	SEC 131, 132, 133	NOT REQUIRED.	NOT REQD	N/A	
STREETSCAPE AND PEDESTRIAN IMPROVEMENTS	SEC 138.1	REQUIRED	YES	YES, TBD	
STREET FRONTAGE REQUIREMENTS	SEC 145.1	REQUIRED; CONTROLS APPLY TO ... ACTIVE USES, GROUND FLOOR CEILING HEIGHT, STREET-FACING GROUND-LEVEL SPACES, TRANSPARENCY AND FENESTRATION, AND GATES, RAILINGS, AND GRILLWORK. APPLY TO FIRST 25' OF DEPTH OF BUILDING; MAX OF 40' OR 25% OF FRONTAGE FOR LOBBY ACCEPTABLE WITHIN THIS ZONING DISTRICT, NO MIN CLG AT COMMERCIAL AREAS; MIN FOR GROUND LEV RES IS 10'	YES	YES	
GROUND FLOOR COMMERCIAL	SEC 145.4	REQUIRED ON SOME STREETS, SEE SEC 145.4 FOR SPECIFIC DISTRICTS.	NOT REQD	N/A	
USABLE OPEN SPACE	SEC 135, 136	80 SQUARE FEET PER UNIT IF PRIVATE, OR 100 SQUARE FEET PER UNIT IF COMMON	YES	NO	YES
OFF-STREET PARKING REQUIREMENTS	§SEC 145.1	NO CAR PARKING REQUIRED.	NO	N/A	
RESIDENTIAL USES	SEC 102	PERMITTED	P	YES	
SINGLE ROOM OCCUPANCY	SEC 102	PERMITTED	P	YES	
DWELLING UNIT DENSITY	102, 207	1 UNIT PER 600 SF LOT AREA, OR THE DENSITY OF THE NEAREST R DISTRICT, WHICHEVER IS GREATER			YES
DWELLING UNIT MIX	SEC 207.7	NO LESS THAN 25% OF DWELLING UNITS SHALL CONTAIN AT LEAST 2 BEDROOMS, AND NO LESS THAN 10% OF DWELLING UNITS SHALL CONTAIN AT LEAST THREE BEDROOMS	N/A	N/A	NOT APPLICABLE AS BUILDING IS AN SRO BUILDING WHICH IS PERMITTED
NON-RESIDENTIAL STANDARDS AND USES	TABLE 740	APPLIES TO MISSION BERNAL NCD			
FLOOR AREA RATIO	SEC 102, 123, 124	3.6 TO 1			
USE SIZE	SEC 102, 121.2	P UP TO 5,999 SQUARE FEET; C 6,000 SQUARE FEET AND ABOVE			
OFF-STREET PARKING REQUIREMENTS	SEC 145.1	NO CAR PARKING REQUIRED. MAXIMUM PERMITTED PER SEC 151. BIKE PARKING REQUIRED PER SECTION 155.2. CAR SHARE SPACES REQUIRED WHEN A PROJECT HAS 25 OR MORE PARKING SPACES PER SEC 166.	NO	NO	
OFF-STREET FREIGHT LOADING	SEC 150, 152, 153 - 155, 161, 204.5	NONE REQUIRED IF GROSS FLOOR AREA IS LESS THAN 10,000 SQUARE FEET. EXCEPTIONS PERMITTED PER §SEC 155 AND 161.	NO	NO	
BAR	SEC 102, 202.2(A)	P(3)	P(1)	TENTATIVE	
RESTAURANT	SEC 102, 202.2(A)	P(2)	P(2)	TENTATIVE	
RESTAURANT, LIMITED	SEC 102, 202.2(A)	P(2)	P(2)	TENTATIVE	

## BUILDING CODE ANALYSIS

ELEMENT	CODE SECTION	REQUIREMENT	REQD	PROVIDED	INCENTIVE/ WAIVER, NOTES
DWELLING UNIT DEFINITION	CBC CH 2	A SINGLE UNIT THAT PROVIDES ROOMS OR SPACES FOR ONE OR MORE PERSONS, INCLUDES PERMANENT PROVISIONS FOR SLEEPING AND CAN INCLUDE PROVISIONS FOR LIVING, EATING AND EITHER SANITATION OR KITCHEN FACILITIES BUT NOT BOTH. SUCH ROOMS AND SPACES THAT ARE ALSO PART OF A DWELLING UNIT ARE NOT SLEEPING UNITS.	NO	NO	LISTED FOR REFERENCE
EFFICIENCY DWELLING UNIT DEFINITION	CBC CH 2	ADDWELLING UNITOCONSTRUCTED IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 17958.1 OR THE CALIFORNIA BUILDING CODESECTION 1208.4.			
STUDIO DWELLING UNIT	N/A	NOT A DEFINED TERM			
MINIMUM ROOM WIDTH	CBC 1208.1	HABITABLE SPACES, OTHER THAN A KITCHEN, SHALL BE NOT LESS THAN 7 FEET IN ANY PLAN DIMENSION.	YES	YES	PROJECT IS INCLUDING AREAS LESS THAN 7' WHERE OVERALL PLAN DIMENSION OF SPACE IS 7' MIN
ROOM AREA	CBC 1208.3	EVERY DWELLING UNIT SHALL HAVE NOT LESS THAN ONE ROOM THAT SHALL HAVE NOT LESS THAN 120 SQUARE FEET OF NET FLOOR AREA. OTHER HABITABLE ROOMS SHALL HAVE A NET FLOOR AREA OF NOT LESS THAN 70 SQUARE FEET.	YES	YES	
EFFICIENCY DWELLING UNITS	CBC 1208.4 W/ SAN FRANCISCO AMENDMENTS	TOTALDAREADOF THE UNIT SHALL BE NO LESS THAN 220 SQUARE FEET;DAREADSHALL BE MEASURED FROM THE INSIDE PERIMETER OF THEEXTERIOR WALLSD... AND SHALL INCLUDE CLOSETS,DBATHROOMS, KITCHEN, LIVING, AND SLEEPINGDAREAS.			
MINIMUM UNIT AREA	SF HOUSING CODE SECTION 503(B)	EVERY ROOM WHICH IS USED FOR BOTH COOKING AND LIVING OR BOTH LIVING AND SLEEPING PURPOSES SHALL HAVE NOT LESS THAN 144 SQUARE FEET OF SUPERFICIAL FLOOR AREA.	NO	NO	

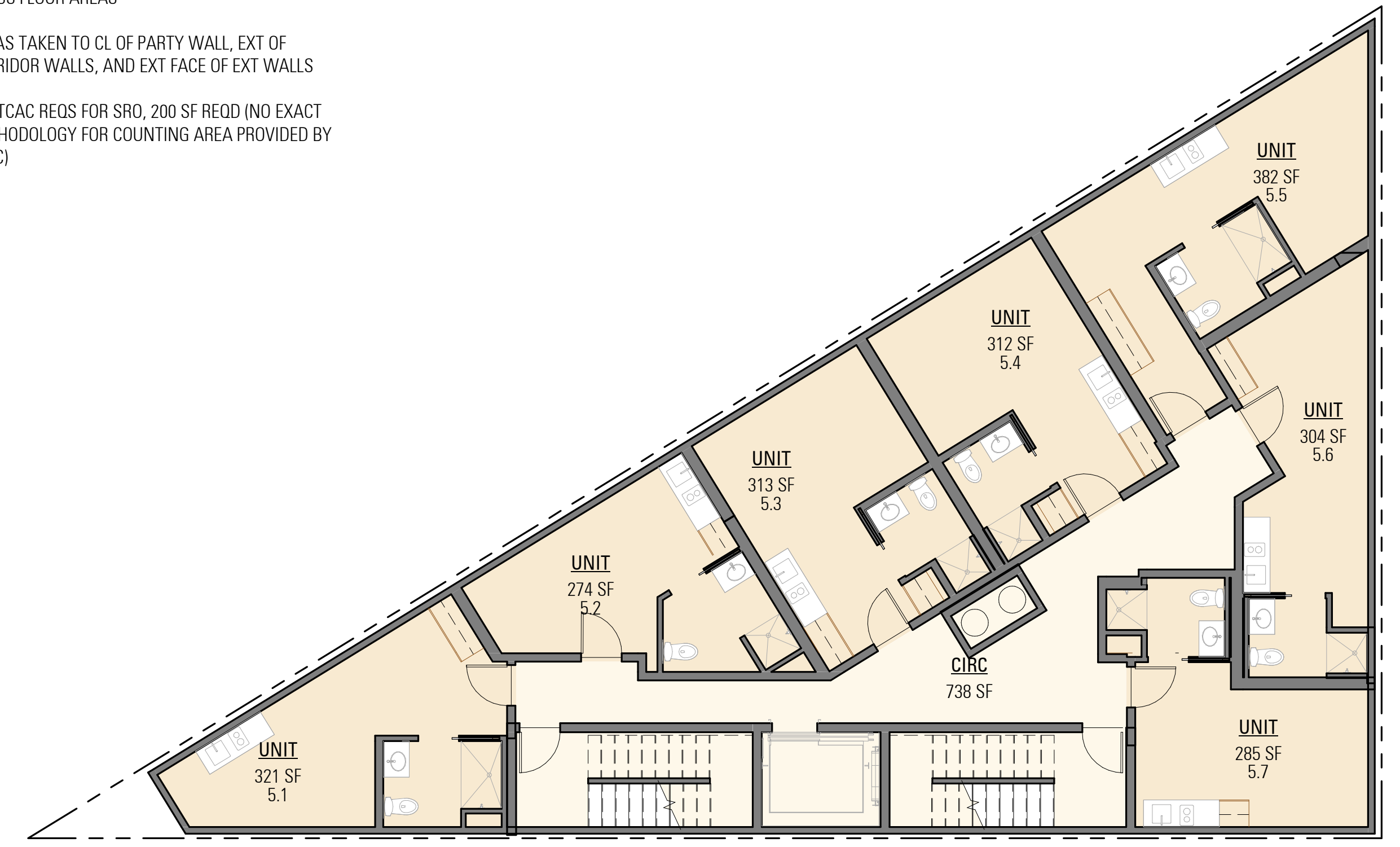


**MISSION ST HEIGHT DIAGRAM**  
 4 G3 1" = 10'-0"

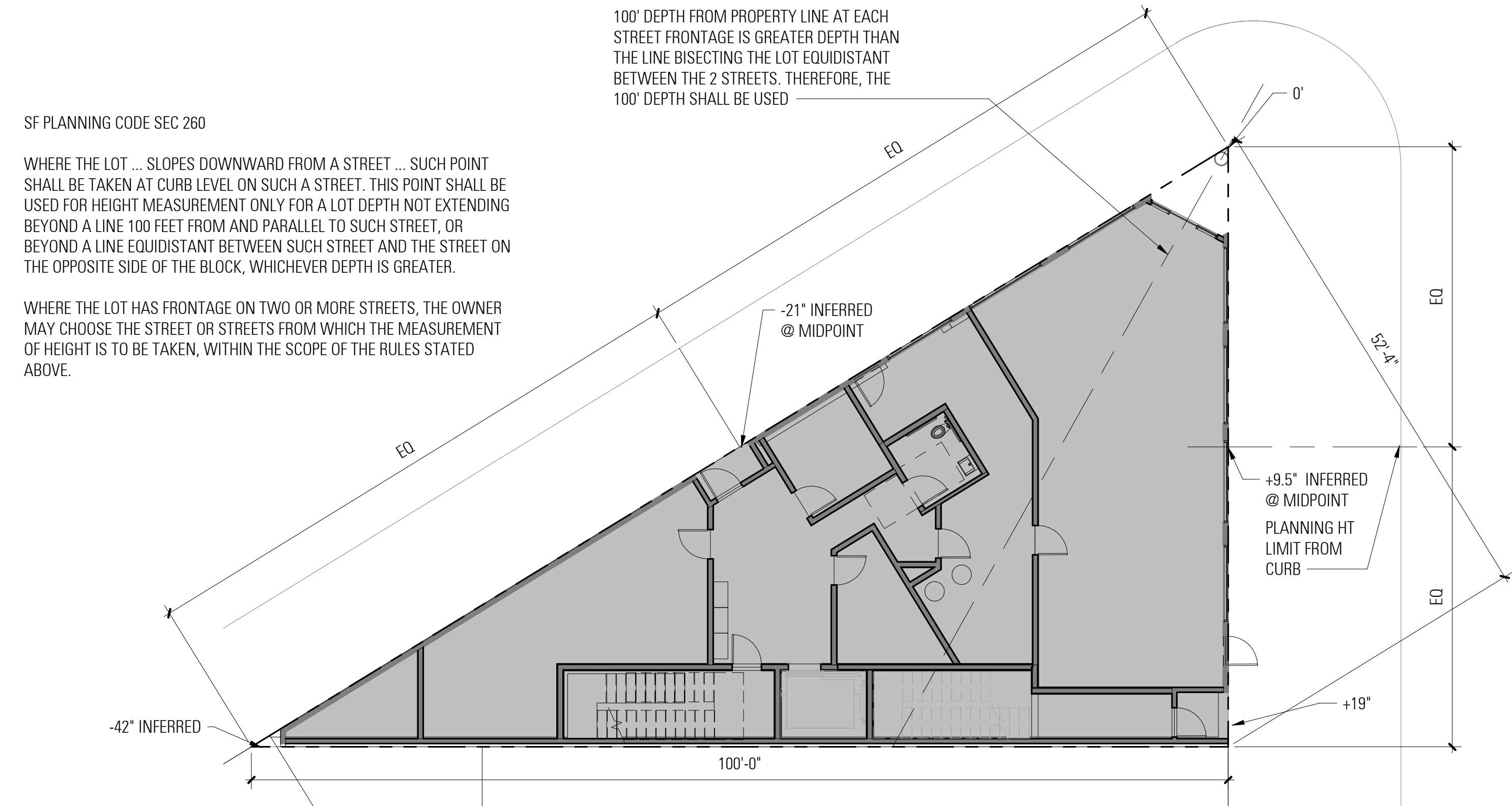
**GROSS FLOOR AREAS**

AREAS TAKEN TO CL OF PARTY WALL, EXT OF CORRIDOR WALLS, AND EXT FACE OF EXT WALLS

PER TCAC REQS FOR SRO, 200 SF REOD (NO EXACT METHODOLOGY FOR COUNTING AREA PROVIDED BY TCAC)



**GROSS AREAS - UPPER LEVEL SHOWN TYP (LOWER LEVELS LARGER)**  
 2 G3 1/8" = 1'-0"

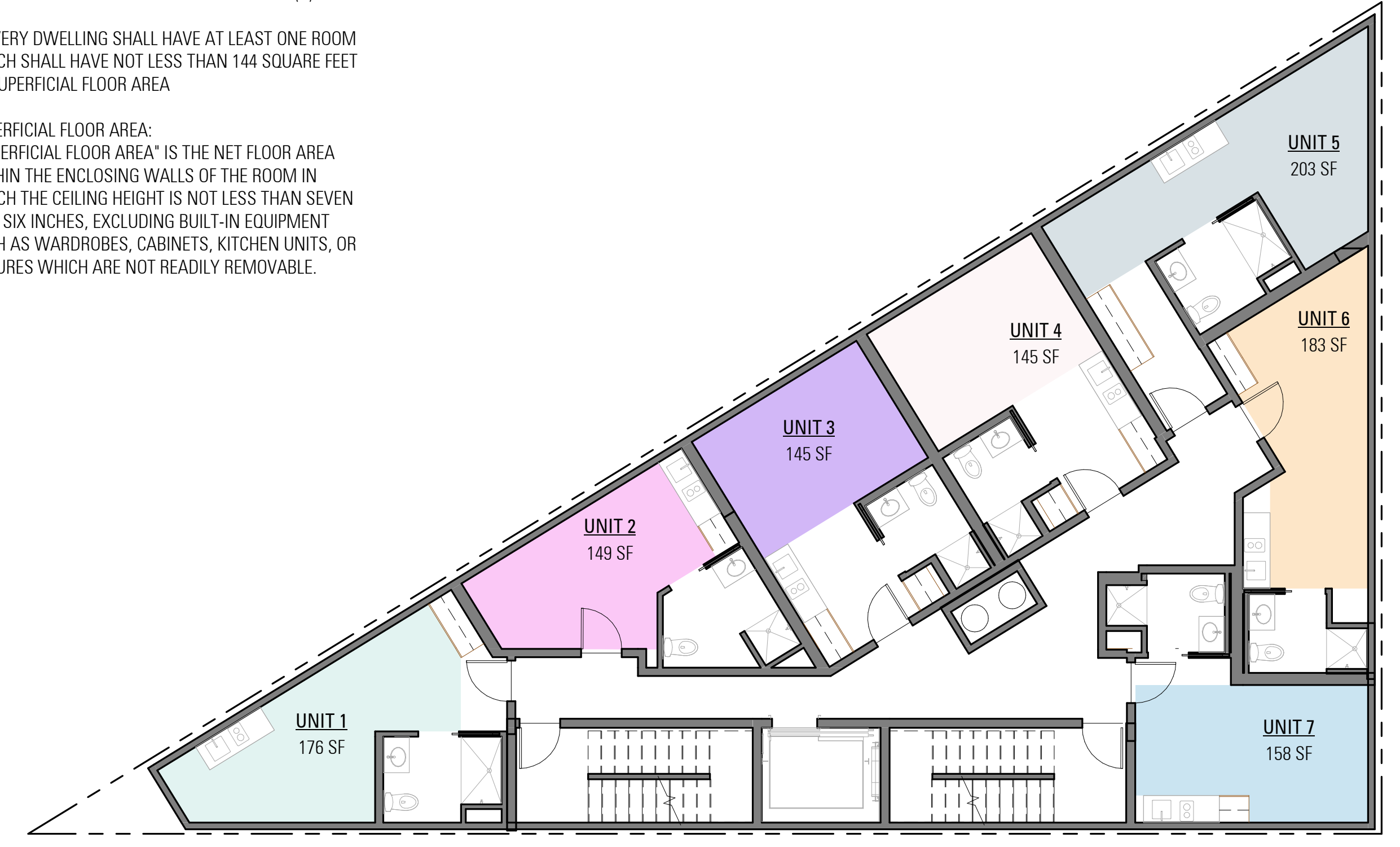


**HEIGHT DIAGRAM**  
 3 G3 1" = 10'-0"

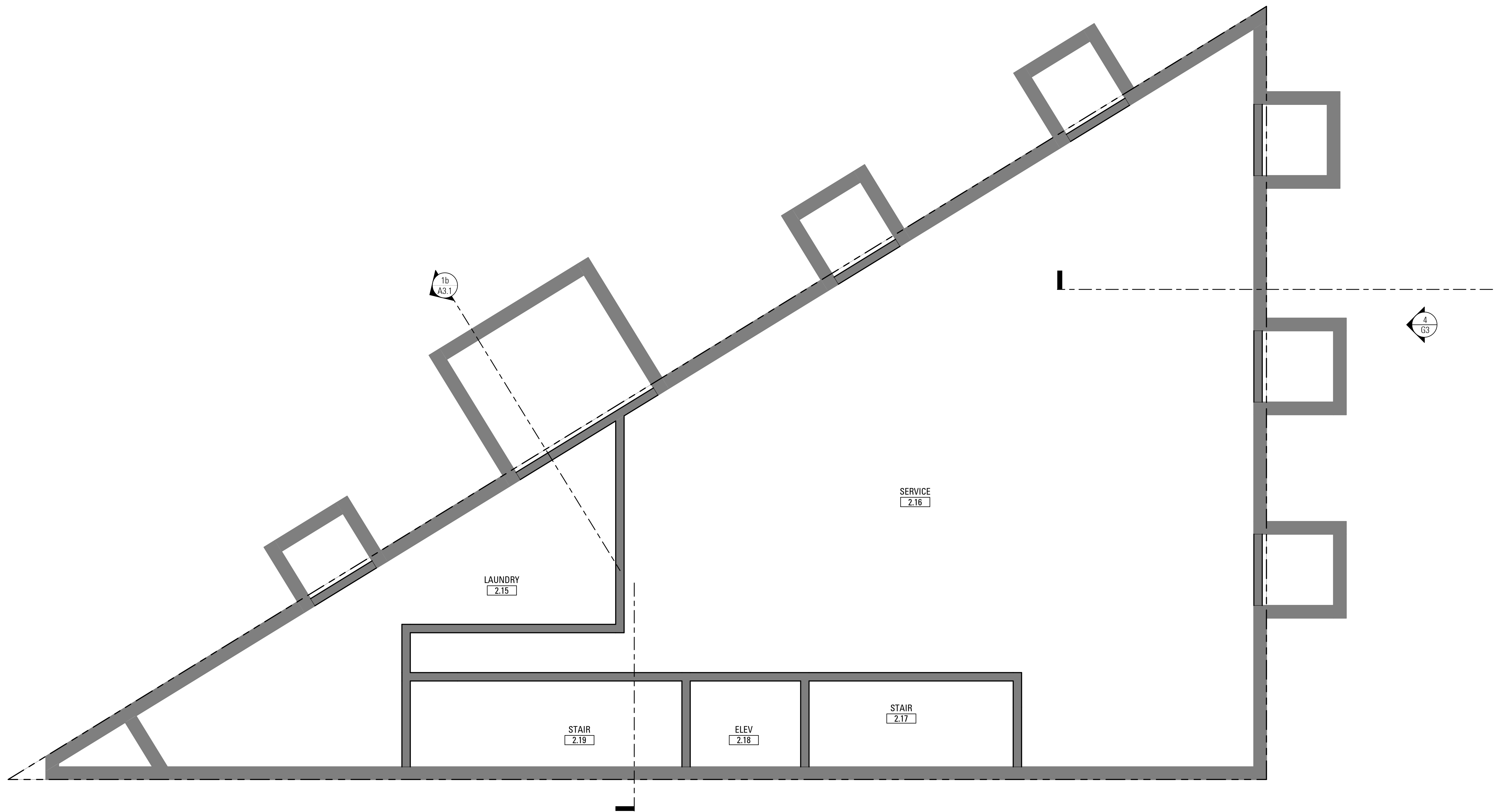
SAN FRANCISCO HOUSING CODE SECTION 503(B):

... EVERY DWELLING SHALL HAVE AT LEAST ONE ROOM WHICH SHALL HAVE NOT LESS THAN 144 SQUARE FEET OF SUPERFICIAL FLOOR AREA

SUPERFICIAL FLOOR AREA: "SUPERFICIAL FLOOR AREA" IS THE NET FLOOR AREA WITHIN THE ENCLOSING WALLS OF THE ROOM IN WHICH THE CEILING HEIGHT IS NOT LESS THAN SEVEN FEET SIX INCHES, EXCLUDING BUILT-IN EQUIPMENT SUCH AS WARDROBES, CABINETS, KITCHEN UNITS, OR FIXTURES WHICH ARE NOT READILY REMOVABLE.

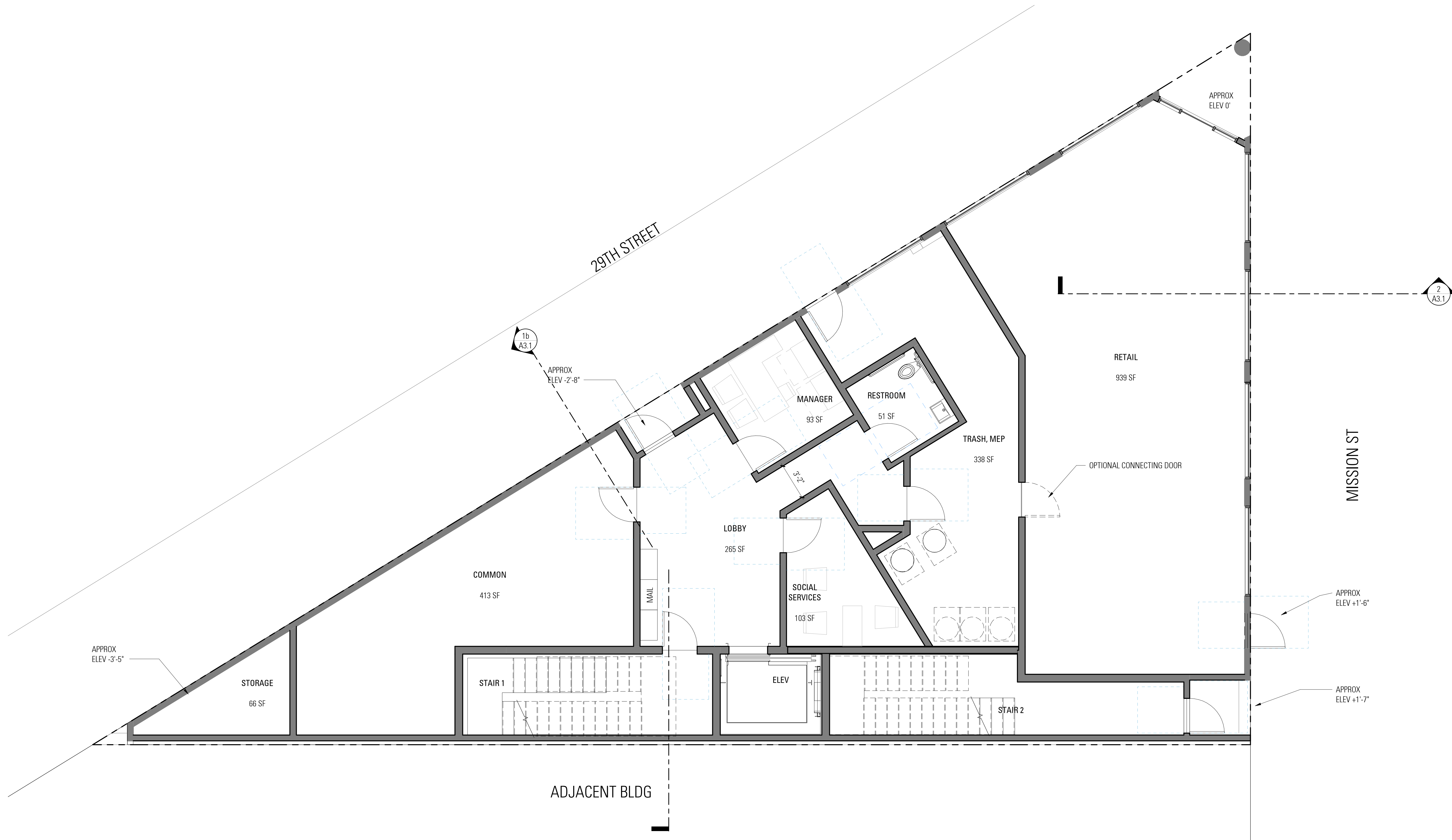


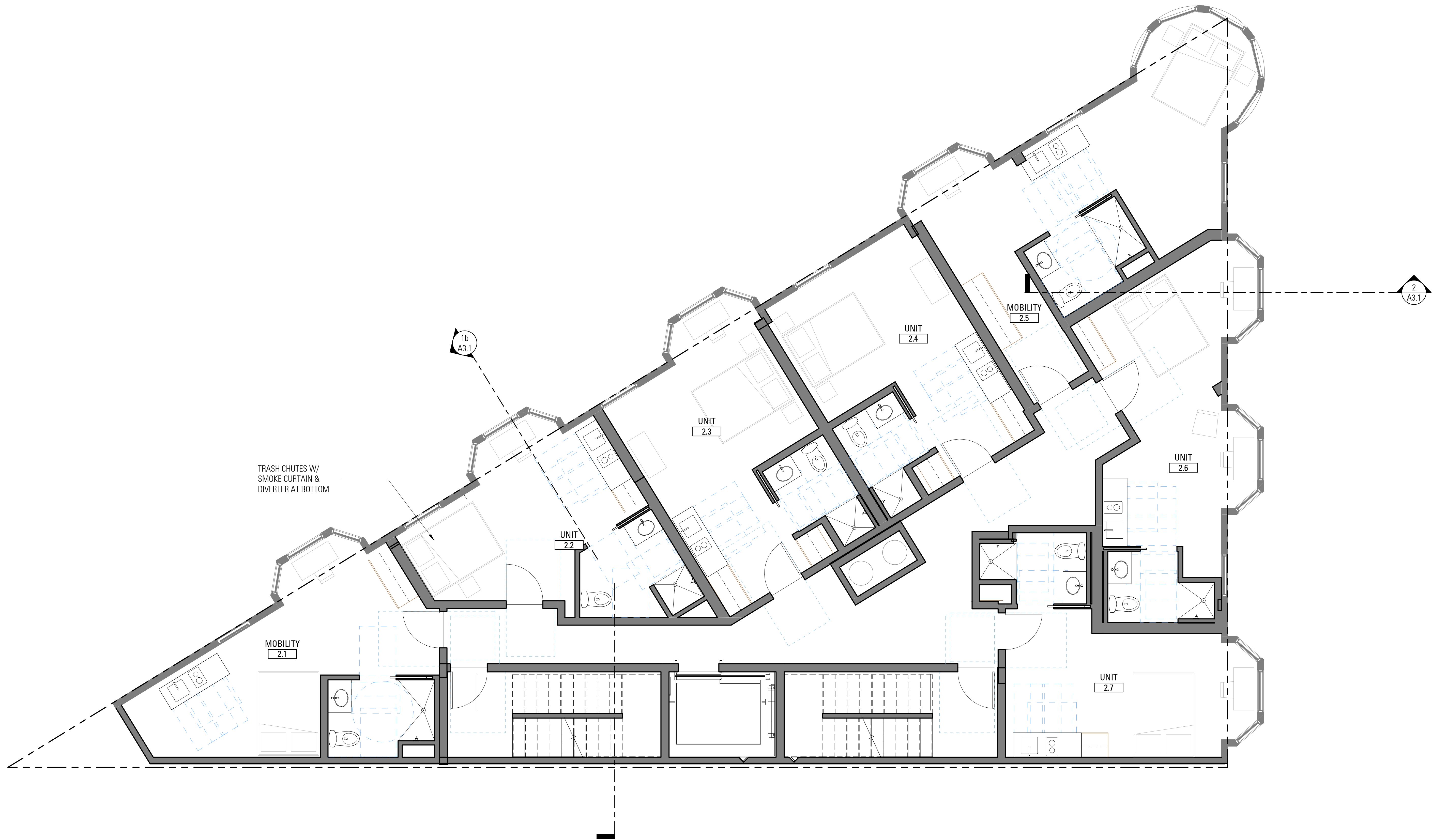
**MINIMUM ROOM AREAS CBC**  
 1 G3 1/8" = 1'-0"



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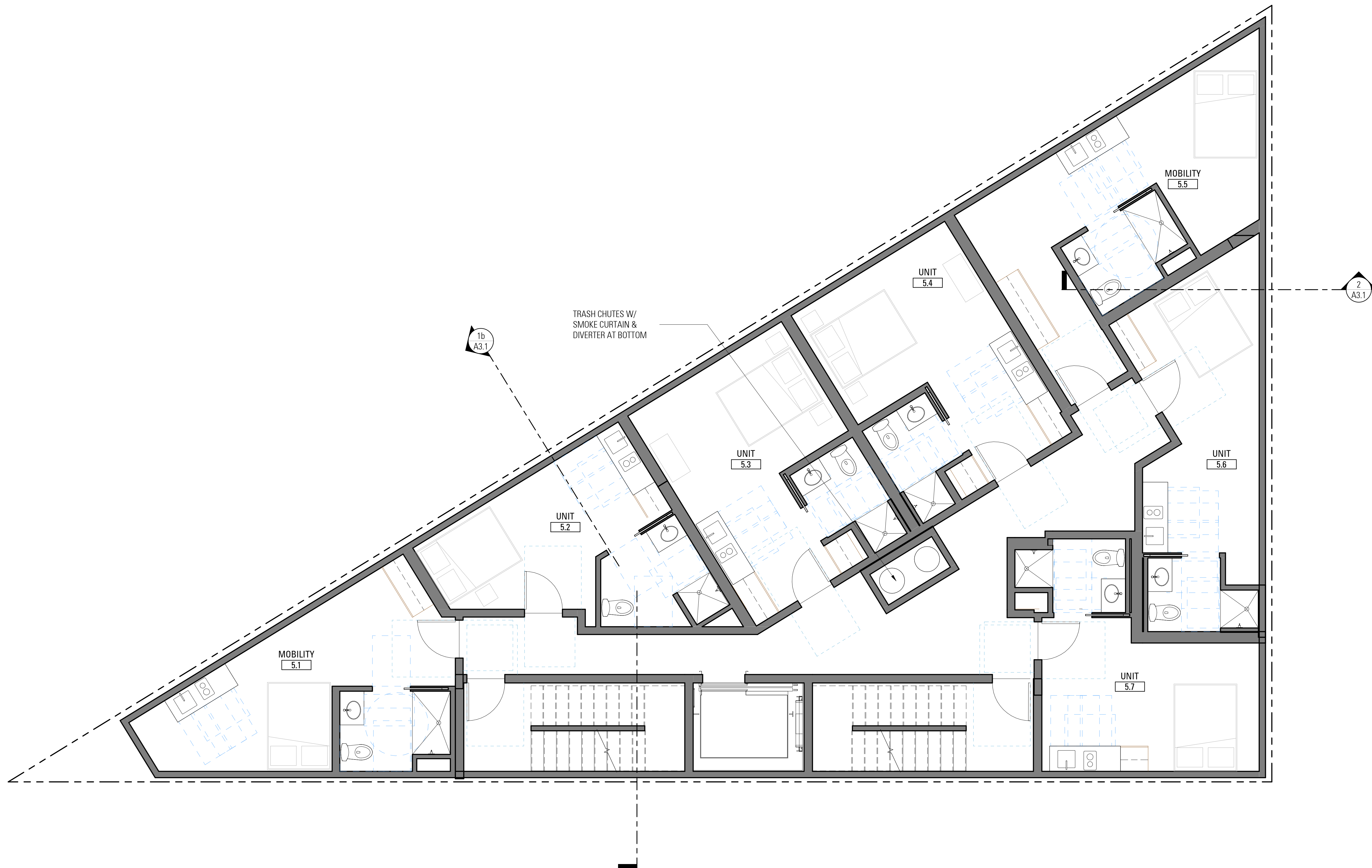
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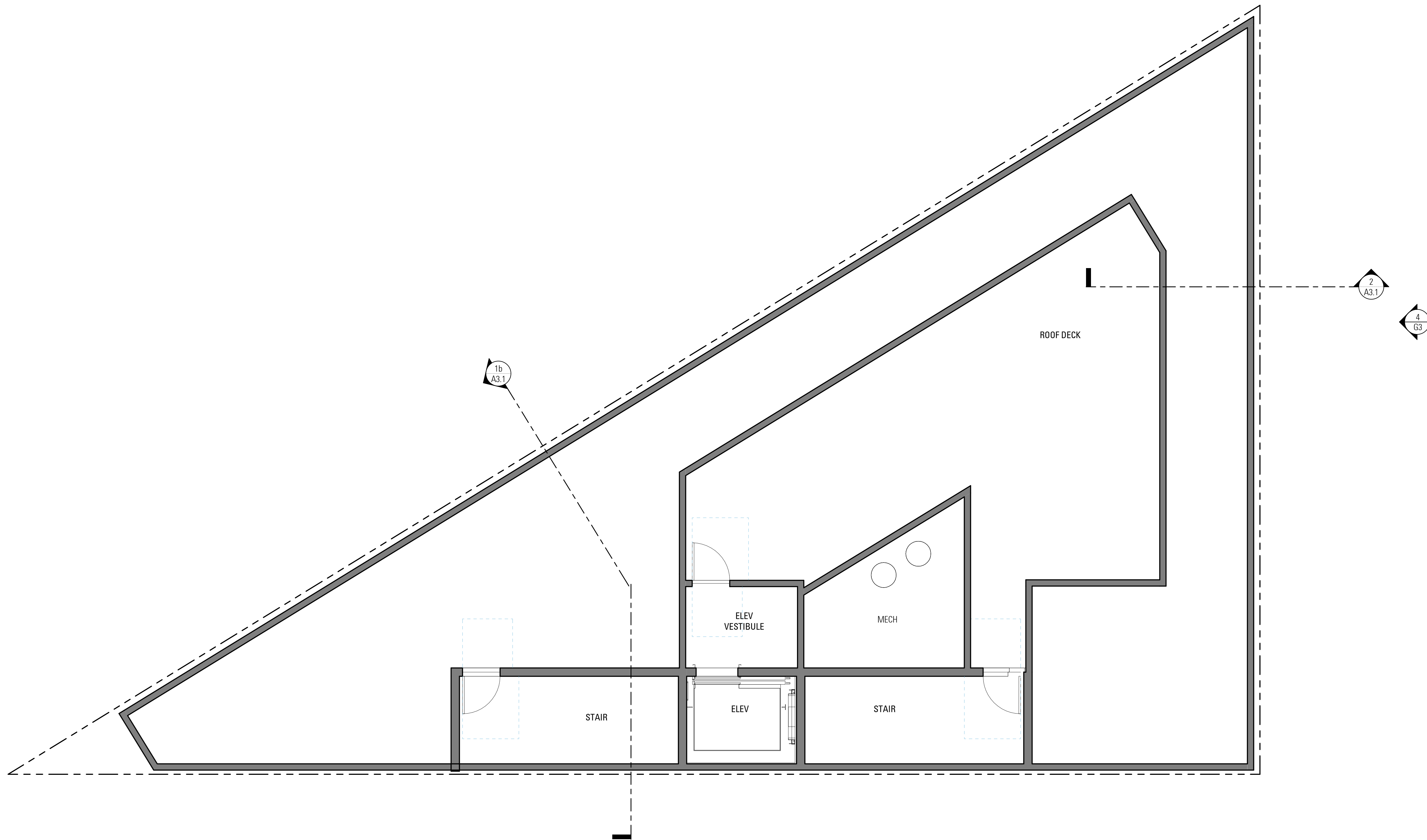


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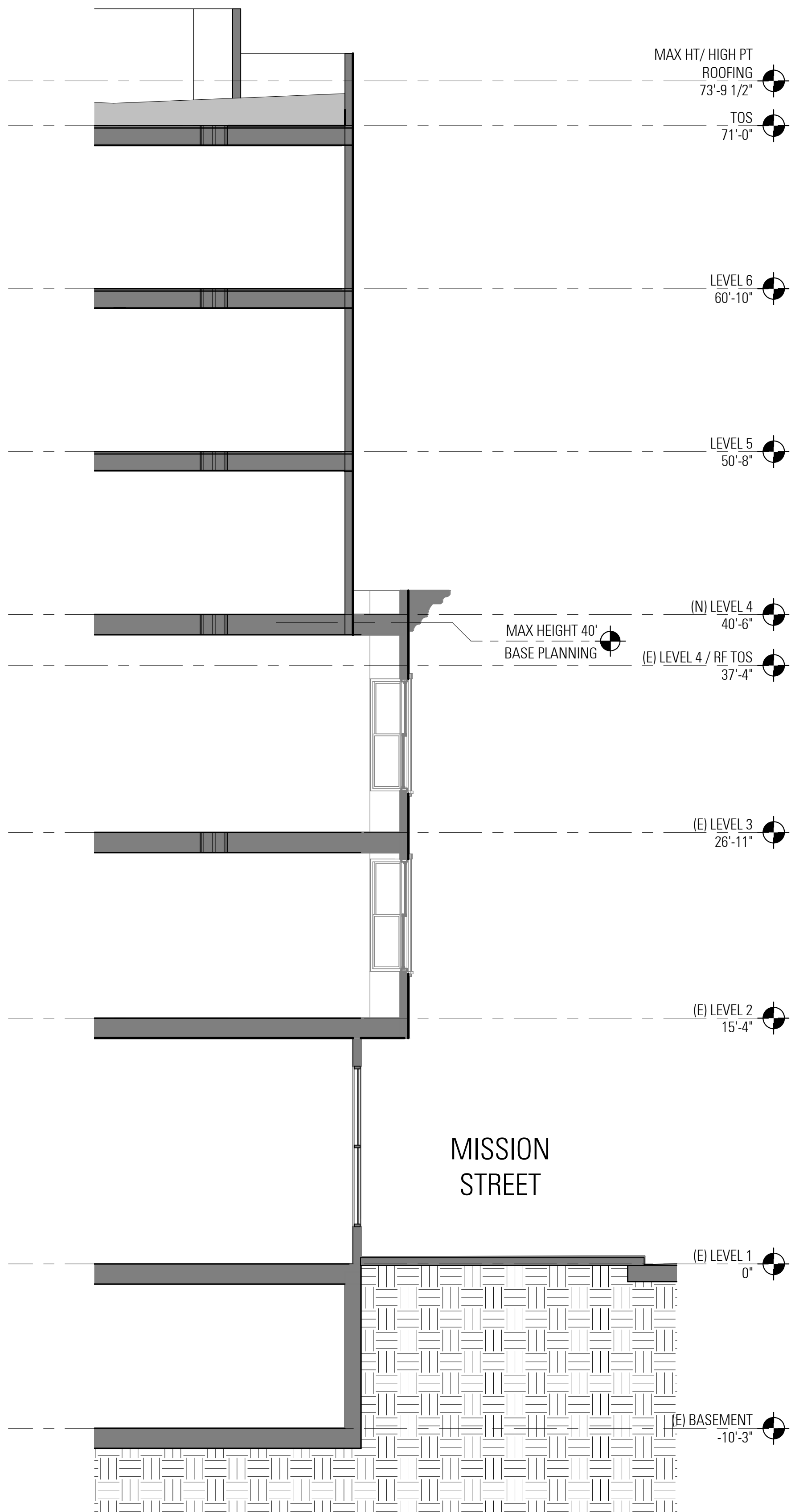




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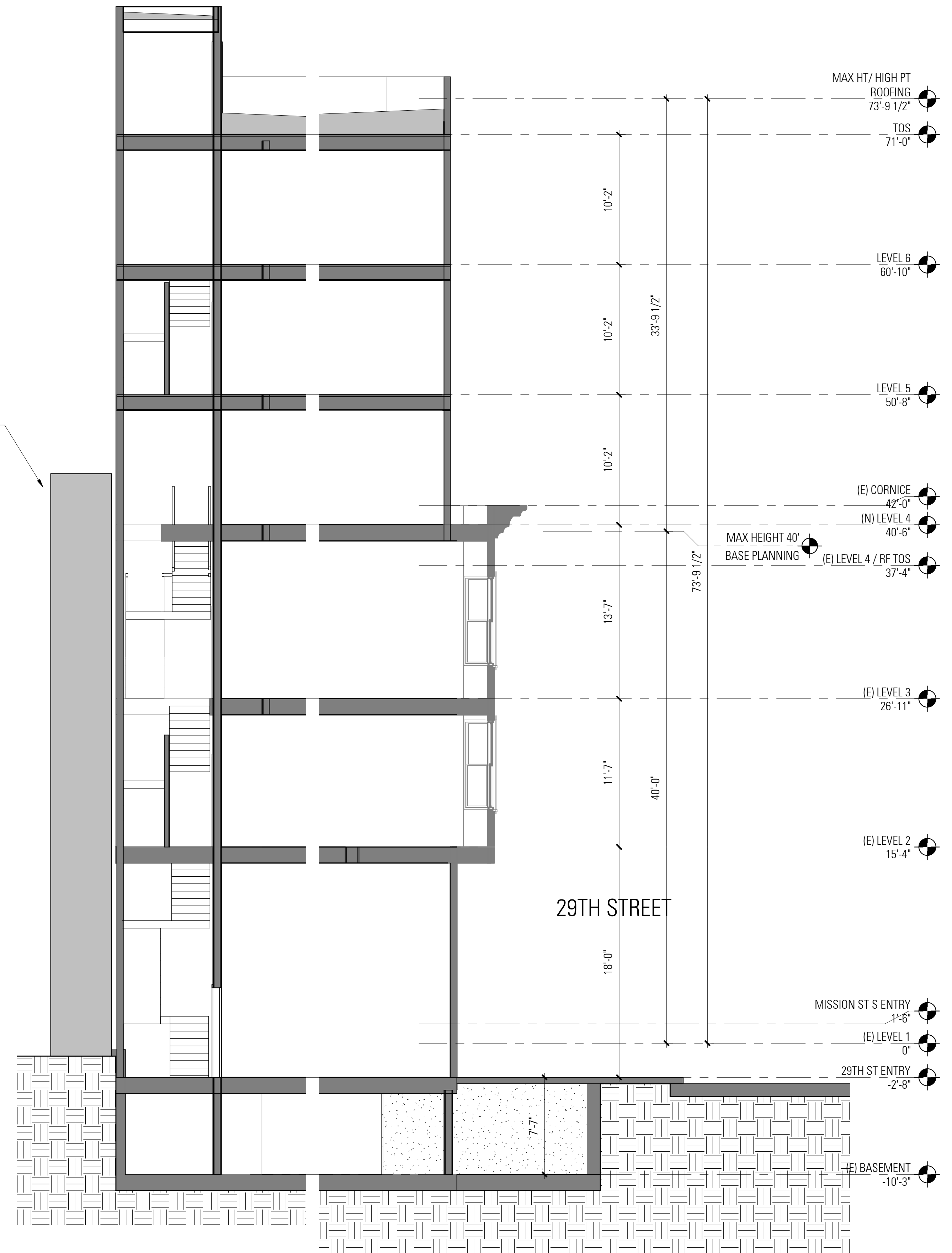


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**2 SECTION @ MISSION ST**  
 A3.1 3/16" = 1'-0"

ADJACENT BLDG



**1a (E) SECTION W/ NEW 29TH**  
 A3.1 3/16" = 1'-0"

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**Attachment H: Comparison of City Investment in Other Housing  
Developments**

See below

**Affordable Multifamily Housing New Construction Cost Comparison - San Francisco**

Updated 8/8/2024		Acquisition costs by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Not including Land)			Subsidy	
		Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/ sq.ft <sup>6</sup>	TDC/unit	TDC/BR	TDC/ sq.ft <sup>6</sup>	Subsidy / unit	Leveraging <sup>7</sup>
Delta of Subject and Comparable Projects		\$ 118,375	\$ 118,463	1350.673521	\$ (46,558)	\$ 238,894	\$ 710	\$ 20,391	\$ 106,180	\$ 280	\$ 173,289	\$ 544,609	\$ 1,376	\$ (155,021)	189.5%
Delta Percentage		52643%	86463%	239711%	-6%	54%	116%	9%	79%	152%	18%	94%	172%	-70%	247%
<b>SUBJECT PROJECT</b>	<b>3300 Mission St, SF</b>	\$ 118,600	\$ 118,600	\$ 1,351	\$ 684,064	\$ 684,064	\$ 1,324	\$ 239,970	\$ 239,970	\$ 465	\$ 1,123,693	\$ 1,123,693	\$ 2,175	\$ 67,114	94.0%
Comparable Projects Average:		\$ 225	\$ 137	\$ 0.56	\$ 730,622	\$ 445,170	\$ 614	\$ 219,578	\$ 133,790	\$ 185	\$ 950,404	\$ 579,083	\$ 799	\$ 222,135	76.6%

Costs lower than comparable average (within 10%)      Costs higher than comparable average (within 10%)

	Average:	Building Square Footage				Total Project Costs						Notes on Financing (e.g., TCAC)	Building Type (e.g., Type III over Type I)	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)		
		Lot sq.ft	Completion/start date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Sq. ft.	Total sq. ft.	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>					Soft Cost	Total Dev. Cost w/acq costs
<b>ALL PROJECTS</b>	Average:	31,279		121	193	119,041	13,534	131,303	\$ 171,653	\$ 81,997,856	\$ 21,732,728	\$ 103,902,206	\$ 31,005,428				
Comparable Projects Completed (filtered)	Average:	18,881		65	89	59,078	9,099	68,177	\$24,050	\$42,780,737	\$10,674,648	\$53,479,434	\$11,572,074				
Comparable Projects Under Construction (filtered)	Average:	29,773		85	147	92,551	18,837	111,388	10,001	63,588,362	19,506,945	83,100,307	22,212,813				
Comparable Projects In Predevelopment (filtered)	Average:	42,835		79	140	77,478	15,746	93,224	\$17,500	\$61,126,086	\$20,156,756	\$81,300,342	\$17,139,667				
<b>Total Comparable Projects</b>	Average:	30,496		76	125	76,369	14,561	90,929	\$17,183	\$55,831,728	\$16,779,449	\$72,626,694	\$16,974,851				
<b>SUBJECT PROJECT</b>	<b>3300 Mission St, SF</b>	3,072		35	35	17,085	996	18,081	\$ 4,151,000	\$ 23,942,253	\$ 8,398,939	\$ 39,329,242	\$ 2,348,990	tax credit pricing 0.915	Ty IIIA over Ty IA p	6	Neighbor appeal hearing 8/28/2024
<b>Delta of Subject and Comp Project Averages</b>		-27,424		-41	-90	-59,284	-13,565	-72,848	\$4,133,817	(\$31,889,475)	(\$8,380,510)	(\$33,297,452)	(\$14,625,861)				
<b>Delta Percentage</b>		-90%		-54%	-72%	-78%	-93%	-80%	24057%	-57%	-50%	-46%	-86%				

**PROJECTS COMPLETED**

Project Name	Address	Building Square Footage				Total Project Costs						Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as)		
		Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost					Total Dev. Cost w/acq costs	Local Subsidy <sup>5</sup>
95 Laguna Senior	95 Laguna	14,300	May-19	79	82	59,785	7,316	67,101	\$ -	\$ 38,725,339	\$ 11,343,750	\$ 50,069,089	\$ 16,222,000	9% LIHTC	Type III over 2 Type IA	7	Incl Community Services space
Hunters View Phase II - Block 10	146 West Point Road	52,333	Jun-18	72	144	90,274	13,328	103,602	\$ -	\$ 54,492,048	\$ 8,732,464	\$ 63,224,512	\$ 17,393,406	9% LIHTC	Type IIIA over Type I	5	Childcare
Booker T Washington	800 Presidio	8,000	Feb-18	50	52	40,340	20,700	61,040	\$ -	\$ 39,698,829	\$ 6,019,350	\$ 45,718,179	\$ 9,026,304	HCD MHP Loan	Type V over Type I	5	\$8.4MM
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	\$ 20,700	\$ 71,591,990	\$ 12,766,230	\$ 84,378,920	\$ 17,693,093		Type IIIA & V over Type I	4-6	No infrast. Cost
Sunnydale Parcel Q	1477-1497 Sunnydale Ave	21,757	Jun-20	55	102	75,101	-	75,101	\$ -	\$ 41,541,704	\$ 10,072,197	\$ 51,613,901	\$ 9,652,147	9% LIHTC	Type IV	5	Grade podium parking
735 Davis Senior Housing	735 Davis	10,165	May-21	53	54	46,143	1,257	47,400	\$ -	\$ 36,114,385	\$ 11,846,397	\$ 47,960,782	\$ 18,525,949		Type IIIA & V over Type I	5-6	Senior
Casa de la Mision	3001 24th Street	6,715	Sep-21	45	45	26,439	1,239	27,678	\$ -	\$ 19,444,062	\$ 7,895,519	\$ 27,339,581	\$ 1,313,694	9% LIHTC & private donation	Type V over Type I	5	
53 Colton (Plumbers Union DA)	53 Colton	7,780	Jul-22	96	96	47,969	-	47,969	\$ 171,697	\$ 40,637,541	\$ 16,721,274	\$ 57,530,512	\$ 2,750,000	4%, HCD MHP, AHP, \$10M G	Type IIIA over Type I	6	Constrained site, efficiency studios

**PROJECTS UNDER CONSTRUCTION**

Project Name	Address	Building Square Footage				Total Project Costs						Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as)		
		Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost					Total Dev. Cost w/acq costs	Local Subsidy <sup>5</sup>
Sunnydale Block 3B	1501 Sunnydale Avenue	39,160	Feb-25	90	178	122,160	38,488	160,648	\$ 20,001	\$ 71,571,738	\$ 19,372,089	\$ 90,943,827	\$ 8,466,742	4% Credits; HCD IIG & AHSC	Type VA over IA	6	3/4/2022 escal/bid and plan check
Sunnydale Block 3A	1501 Sunnydale Avenue	34,400	Jan-25	80	164	94,595	19,013	113,608	\$ 20,001	\$ 72,470,936	\$ 22,824,983	\$ 95,315,920	\$ 26,044,938	4% Credits; HCD IIG & AHSC	Type VA over IA	5	(70% CD w/VE 4/14/2022, 8% CD/Add 1&2; est 3/2022&LC
4200 Geary	4200 Geary	16,738	Dec-24	98	98	76,834	1,908	78,742	\$ -	\$ 54,590,088	\$ 19,104,917	\$ 73,695,005	\$ 19,526,131	4% Credits; HCD MHP, AHP,	Type III over Type I	7	
HPSY Block 56	11 Innes Court	28,792	Apr-25	73	147	76,614	15,939	92,553	\$ -	\$ 55,720,684	\$ 16,725,791	\$ 72,446,475	\$ 34,813,441	4% LIHTC, AHP	Type V over Type I	5	

**PROJECTS IN PREDEVELOPMENT**

Project Name	Address	Building Square Footage				Total Project Costs						Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as)		
		Lot sq.ft	Start Date (anticipated)	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost <sup>3</sup>	Constr. Cost <sup>4</sup>	Soft Cost					Total Dev. Cost w/acq costs	Local Subsidy <sup>5</sup>
Sunnydale Block 7	Sunrise Wy and Santos St	73,161	Jun-25	89	205	104,500	31,857	136,357	\$ -	\$ 79,433,777	\$ 24,690,898	\$ 104,124,675	\$ 34,549,978	4% Credits; HCD IIG & AHSC	Type VA over IA	5	Planning at 7.7 ratio, unusual with
Sunnydale Block 9	TBD	52,272	Jun-25	95	225	116,465	27,425	143,890	\$ 20,000	\$ 82,190,900	\$ 26,428,661	\$ 108,639,561	\$ 18,660,015	4% Credits; HCD IIG & AHSC	Type VA over IA	5	Parking at .74 ratio; 100% SD
Potrero Bus Yard Senior 1868 Bryant	1868 Bryant		Dec-25	96	96	69,484	1,500	70,984	\$ 50,000	\$ 63,298,848	\$ 20,564,029	\$ 83,912,877	\$ 8,848,684		Type III over Type I	4-5	5.6.2022 est with 18% esc for Jan
3300 Mission	3300 Mission	3,072	Mar-25	35	35	19,463	2,202	21,665	\$ -	\$ 19,580,819	\$ 8,943,435	\$ 28,524,254	\$ 6,499,990		Type IIIA over a Type IA p	6	50% SD 2/23 historic facade. Concept Aug 2023; not a GC estimate

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## **Attachment I: Predevelopment Budget**

[See attached]

Application Date: 3/15/2024 # Units: 35  
 Project Name: 3300 Mission # Bedrooms: 35  
 Project Address: 3300-3308 Mission Street # Beds:  
 Project Sponsor: BHHC, TCDC, MREG

SOURCES	2,349,000	4,151,000	-	-	-	-	Total Sources	6,500,000	Comments
Name of Sources:	MOHCD Predevelopment	Acquisition							

**USES**

**ACQUISITION**

Acquisition cost or value		3,850,000						3,850,000	
Legal / Closing costs / Broker's Fee		211,000						211,000	
Holding Costs		90,000						90,000	
Transfer Tax								0	
<b>TOTAL ACQUISITION</b>	<b>0</b>	<b>4,151,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,151,000</b>	

**CONSTRUCTION (HARD COSTS)**

Unit Construction/Rehab								0	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsite Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	HOPE SF/OCl costs for streets etc.
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	
GC Overhead & Profit								0	
CG General Conditions								0	
Sub-total Construction Costs	0	0	0	0	0	0	0	0	
Design Contingency (remove at DD)								0	\$45MM+
Bid Contingency (remove at bid)								0	\$45MM+
Plan Check Contingency (remove/reduce during Plan Review)								0	\$45MM+
Hard Cost Construction Contingency								0	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	0	0	0	
<b>TOTAL CONSTRUCTION COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**SOFT COSTS**

**Architecture & Design**

Architect design fees	750,000							750,000	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)								0	
Architect Construction Admin								0	
Reimbursables								0	
Additional Services								0	
Sub-total Architect Contract	750,000	0	0	0	0	0	0	750,000	
Other Third Party design consultants (not included under Architect contract)								150,000	Consultants not covered under architect contract; name consultant type and contract amount
<b>Total Architecture &amp; Design</b>	<b>900,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>900,000</b>	

**Engineering & Environmental Studies**

Survey	40,000							40,000	
Geotechnical studies	27,000							27,000	
Phase I & II Reports	27,000							27,000	
CEQA / Environmental Review consultants	100,000							100,000	
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
<b>Total Engineering &amp; Environmental Studies</b>	<b>194,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>194,000</b>	

**Financing Costs**

**Construction Financing Costs**

Construction Loan Origination Fee	25,000							25,000	
Construction Loan Interest								0	
Title & Recording	25,000							25,000	
CDLAC & CDIAC fees								0	
Bond Issuer Fees								0	
Other Bond Cost of Issuance								0	
Other Lender Costs (HAF)	93,000							93,000	HAF Closing Fee + Expenses
Sub-total Const. Financing Costs	143,000	0	0	0	0	0	0	143,000	

**Permanent Financing Costs**

Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	0	
<b>Total Financing Costs</b>	<b>143,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>143,000</b>	

**Legal Costs**

Borrower Legal fees	20,000							20,000	
Land Use / CEQA Attorney fees	30,000							30,000	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
<b>Total Legal Costs</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	

**Other Development Costs**

Appraisal	10,000							10,000	
Market Study	10,000							10,000	
Insurance	12,000							12,000	
Property Taxes	20,000							20,000	
Accounting / Audit	5,000							5,000	
Organizational Costs								0	Design Printing/Copying
Entitlement / Permit Fees	90,000							90,000	
Marketing / Rent-up								0	
Furnishings								0	\$2,000/unit; See MOHCD U/W Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
PGE / Utility Fees	15,000							15,000	
TCAC App / Alloc / Monitor Fees	100,000							100,000	
Financial Consultant fees	50,000							50,000	
Construction Management fees / Owner's Rep	39,600							39,600	
Security during Construction								0	
Relocation								0	
Community Outreach	74,000							74,000	
Syndication Consultant								0	
Inspectors								0	
<b>Total Other Development Costs</b>	<b>425,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>425,600</b>	

**Soft Cost Contingency**

Contingency (Arch, Eng, Fin, Legal & Other Dev)	86,400							86,400	Should be either 10% or 5% of total soft costs.
<b>TOTAL SOFT COSTS</b>	<b>1,799,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,799,000</b>	

**RESERVES**

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

**DEVELOPER COSTS**

Developer Fee - Cash-out Paid at Milestones	550,000							550,000	
Developer Fee - Cash-out At Risk								0	
Commercial Developer Fee								0	
Developer Fee - GP Equity (also show as source)								0	
Developer Fee - Deferred (also show as source)								0	
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)								0	
<b>TOTAL DEVELOPER COSTS</b>	<b>550,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550,000</b>	

**TOTAL DEVELOPMENT COST**

	2,349,000	4,151,000	0	0	0	0	0	6,500,000	
Development Cost/Unit by Source	67,114	118,600	0	0	0	0	0	185,714	
Development Cost/Unit as % of TDC by Source	36.1%	63.9%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	0	110,000	0	0	0	0	0	110,000	
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Construction Cost (inc Const Contingency)/Unit By Source

	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

\*Possible non-eligible GO Bond/COP Amount: 82,000  
 City Subsidy/Unit: 67,114

Tax Credit Equity Pricing: 0.92  
 Construction Bond Amount: 18,492,150  
 Construction Loan Term (in months): 30 months  
 Construction Loan Interest Rate (as %): 8.00%

Construction line item costs as a % of hard costs

Total Soft Cost Contingency as % of Total Soft Costs: 5.0%

1,712,600  
85630  
-770

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**Attachment J: Development Budget**

[See attached]



Application Date: 3/15/2024 # Units: 35  
 Project Name: 3300 Mission # Bedrooms: 35  
 Project Address: 3300-3308 Mission Street # Beds:  
 Project Sponsor: BHHC, TCDC, MREG

SOURCES	Total Sources					Comments
	2,349,000	4,151,000	-	10,091,242	24,400,800	
MOHCD Predev				MOHCD Perm Gap	Tax Credit Equity	Total MOHCD non asq
						12,440,242

USES

ACQUISITION	0	3,850,000				3,850,000	1,194,037
Acquisition cost or value							
Legal / Closing costs / Broker's Fee						211,000	
Holding Costs						90,000	
Transfer Tax						0	
<b>TOTAL ACQUISITION</b>	<b>0</b>	<b>4,151,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,151,000</b>	

CONSTRUCTION (HARD COSTS)

* Unit Construction/Rehab				2,552,931	14,753,193	17,306,124	Include FF&E	
* Commercial Shell Construction				761,154		761,154		1,704,123
* Demolition								11,254,088
* Environmental Remediation						1,186,154		
* Onsite Improvements/Landscaping								
* Offsite Improvements								
* Infrastructure Improvements							HOPE SF/OClI costs for streets etc.	
Parking								
GC Bond Premium/GC Insurance/GC Taxes					427,131	427,131		2.1%
GC Overhead & Profit					663,180	663,180	680082.0857	3.2%
CG General Conditions					1,618,776	1,618,776		7.8%
<i>Sub-total Construction Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,314,085</i>	<i>17,462,280</i>	<i>20,776,365</i>		
Design Contingency (remove at DD)						0	\$45MM+	0.0%
Bid Contingency (remove at bid)						0	\$45MM+	0.0%
Plan Check Contingency (remove/reduce during Plan Review)				979,839	550,000	1,529,839	\$45MM+	7.4%
Hard Cost Construction Contingency				187,830	1,308,839	1,496,669	5% new construction / 15% rehab	7.2%
<i>Sub-total Construction Contingencies</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,167,669</i>	<i>1,858,839</i>	<i>3,026,508</i>		
<b>TOTAL CONSTRUCTION COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,481,754</b>	<b>19,321,119</b>	<b>23,802,873</b>		

SOFT COSTS

<b>Architecture &amp; Design</b>							
Architect design fees	750,000			952,438	483,082	2,185,520	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)						0	
Architect Construction Admin						0	
Reimbursables						0	
Additional Services						0	
<i>Sub-total Architect Contract</i>	<i>750,000</i>	<i>0</i>	<i>0</i>	<i>952,438</i>	<i>483,082</i>	<i>2,185,520</i>	
Other Third Party design consultants (not included under Architect contract)				100,000		250,000	Consultants not covered under architect contract; name consultant type and contract amount
<b>Total Architecture &amp; Design</b>	<b>900,000</b>	<b>0</b>	<b>0</b>	<b>1,052,438</b>	<b>483,082</b>	<b>2,435,520</b>	\$ (2,562)
<b>Engineering &amp; Environmental Studies</b>							
Survey	40,000				10,000	50,000	
Geotechnical studies	27,000			1,000	7,000	35,000	
Phase I & II Reports	27,000			1,000	7,000	35,000	
CEQA / Environmental Review consultants	100,000					100,000	
NEPA / 106 Review						0	
CNA/PNA (rehab only)						0	
Other environmental consultants						0	Name consultants & contract amounts
<b>Total Engineering &amp; Environmental Studies</b>	<b>194,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>24,000</b>	<b>220,000</b>	50,000
<b>Financing Costs</b>							
<b>Construction Financing Costs</b>							
Construction Loan Origination Fee	25,000				1,822,722	1,847,722	
Construction Loan Interest				551,620	635,027	1,186,647	
Title & Recording	25,000				50,000	75,000	
CDLAC & CDIAC fees						0	
Bond Issuer Fees						0	
Other Bond Cost of Issuance						0	
Other Lender Costs (HAF)	93,000				500	93,500	
<i>Sub-total Const. Financing Costs</i>	<i>143,000</i>	<i>0</i>	<i>0</i>	<i>551,620</i>	<i>2,508,249</i>	<i>3,202,869</i>	478,369
<b>Permanent Financing Costs</b>							
Permanent Loan Origination Fee						0	
Credit Enhance. & Appl. Fee						0	
Title & Recording						0	
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<b>Total Financing Costs</b>	<b>143,000</b>	<b>0</b>	<b>0</b>	<b>551,620</b>	<b>2,508,249</b>	<b>3,202,869</b>	
<b>Legal Costs</b>							
Borrower Legal fees	20,000			330,000		350,000	
Land Use / CEQA Attorney fees	30,000			20,000		50,000	
Tax Credit Counsel						0	
Bond Counsel						0	
Construction Lender Counsel				10,000	100,000	110,000	
Permanent Lender Counsel						0	
Condo				80,000		80,000	\$80K for condo (civil, city fees, legal)
<b>Total Legal Costs</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>440,000</b>	<b>100,000</b>	<b>590,000</b>	
<b>Other Development Costs</b>							
Appraisal	10,000					10,000	
Market Study	10,000					10,000	
Insurance	12,000			238,000		250,000	
Property Taxes	20,000			30,000		50,000	
Accounting / Audit	5,000			45,000		50,000	
Organizational Costs						0	
Entitlement / Permit Fees	90,000			810,000		900,000	
Marketing / Rent-up						250,000	
Furnishings				200,000		200,000	
PGE / Utility Fees	15,000			485,000		500,000	
TCAC App / Alloc / Monitor Fees	100,000			10,852	14,350	125,202	
Financial Consultant fees	50,000			25,000		75,000	
Construction Management fees / Owner's Rep	39,600			387,928		427,528	
Security during Construction						0	
Relocation						0	
Community Outreach & Public Art	74,000			101,000		175,000	Public Art is \$101k, Community outreach \$74k
Syndication Consultant				55,000		55,000	
Inspectors				175,000		175,000	
<b>Total Other Development Costs</b>	<b>425,600</b>	<b>0</b>	<b>0</b>	<b>2,812,780</b>	<b>14,350</b>	<b>3,252,730</b>	Total Soft Cost Contingency as % of Total Soft Costs 5.2%
<b>Soft Cost Contingency</b>							
Contingency (Arch, Eng, Fin, Legal & Other Dev)	86,400			413,600		500,000	Should be either 10% or 5% of total soft costs.
<b>TOTAL SOFT COSTS</b>	<b>1,799,000</b>	<b>0</b>	<b>0</b>	<b>5,272,438</b>	<b>3,129,681</b>	<b>10,201,119</b>	

RESERVES

* Operating Reserves				212,050		212,050	6 months
* Replacement Reserves						0	197952
* Tenant Improvements Reserves						0	
* Other (specify)						0	848200
* Other (specify)						0	
* Other (specify)						0	
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>212,050</b>	<b>0</b>	<b>212,050</b>	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	550,000				550,000	1,100,000	
Developer Fee - Cash-out At Risk						1,100,000	
Commercial Developer Fee				125,000	300,000	425,000	0
Developer Fee - GP Equity (also show as source)						0	0
Developer Fee - Deferred (also show as source)						0	
Development Consultant Fees						0	Need MOHCD approval for this cost, N/A for most projects
Public Art						0	
<b>TOTAL DEVELOPER COSTS</b>	<b>550,000</b>	<b>0</b>	<b>0</b>	<b>125,000</b>	<b>1,950,000</b>	<b>2,625,000</b>	

TOTAL DEVELOPMENT COST

	2,349,000	4,151,000	0	10,091,242	24,400,800	40,992,042	
Development Cost/Unit by Source	67,114	118,600	0	288,321	697,166	1,171,201	
Development Cost/Unit as % of TDC by Source	5.7%	10.1%	0.0%	24.6%	59.5%	100.0%	

Acquisition Cost/Unit by Source

	0	110,000	0	0	0	110,000	
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Construction Cost (inc Const Contingency)/Unit By Source

	0	0	0	128,050	552,032	680,082	
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Construction Cost (inc Const Contingency)/SF

	0.00	0.00	0.00	247.87	1,068.59	1,316.46	
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\*Possible non-eligible GO Bond/COP Amount: 82,000

City Subsidy/Unit: 67,114

Tax Credit Equity Pricing: 0.915

Construction Bond Amount: 18,492,150

Construction Loan Term (in months): 28 months

Construction Loan Interest Rate (as %): 7.30%

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**Attachment K: 1<sup>st</sup> Year Operating Budget**

[See attached]

Application Date: 3/15/2024 Project Name: 3300 Mission  
 Total # Units: 35 Project Address: 3300-3308 Mission Street  
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2026 Project Sponsor: BHHC, TCDC, MREG

INCOME	Total	Comments
Residential - Tenant Rents	486,120	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	3,780	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
<b>Gross Potential Income</b>	<b>489,900</b>	
Vacancy Loss - Residential - Tenant Rents	(24,495)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
<b>EFFECTIVE GROSS INCOME</b>	<b>465,405</b>	<b>PUPA: 13,297</b>

OPERATING EXPENSES		
Management		
Management Fee	33,048	1st Year to be set according to HUD schedule.
Asset Management Fee	0	Up to \$25,130 2024 based on MOHCD above the line AMF schedule
<b>Sub-total Management Expenses</b>	<b>33,048</b>	<b>PUPA: 944</b>

Salaries/Benefits		
Office Salaries		
Manager's Salary	15,288	
Health Insurance and Other Benefits	11,600	
Other Salaries/Benefits		
Administrative Rent-Free Unit	26,580	
<b>Sub-total Salaries/Benefits</b>	<b>53,468</b>	<b>PUPA: 1,528</b>

Administration		
Advertising and Marketing		
Office Expenses	19,900	\$13.2K Telephone & Answering Svc
Office Rent	2,720	
Legal Expense - Property	8,500	
Audit Expense	9,500	
Bookkeeping/Accounting Services	4,896	
Bad Debts		
Miscellaneous	3,500	
<b>Sub-total Administration Expenses</b>	<b>49,016</b>	<b>PUPA: 1,400</b>

Utilities		
Electricity	38,798	
Water	17,150	
Gas		
Sewer	22,750	
<b>Sub-total Utilities</b>	<b>78,698</b>	<b>PUPA: 2,249</b>

Taxes and Licenses		
Real Estate Taxes	1,300	
Payroll Taxes	2,776	
Miscellaneous Taxes, Licenses and Permits	2,500	
<b>Sub-total Taxes and Licenses</b>	<b>6,576</b>	<b>PUPA: 188</b>

Insurance		
Property and Liability Insurance	28,000	
Fidelity Bond Insurance		
Worker's Compensation	4,884	
Director's & Officers' Liability Insurance		
<b>Sub-total Insurance</b>	<b>32,884</b>	<b>PUPA: 940</b>

Maintenance & Repair		
Payroll	17,333	
Supplies	28,930	
Contracts	20,020	
Garbage and Trash Removal	15,400	
Security Payroll/Contract	2,200	
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs	7,330	
Miscellaneous Operating and Maintenance Expenses	2,500	
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>93,713</b>	<b>PUPA: 2,678</b>

Supportive Services	31,000	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%

**TOTAL OPERATING EXPENSES 378,403 PUPA: 10,812**

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	1	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee		
Replacement Reserve Deposit	17,500	
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>17,501</b>	<b>PUPA: 500</b>

<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>	<b>395,904</b>	<b>PUPA: 11,312</b>	Min DSCR: 1.15 Mortgage Rate: 7.25%
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>69,501</b>	<b>PUPA: 1,986</b>	Term (Years): 30 Supportable 1st Mortgage Pmt: 60,436 Supportable 1st Mortgage Amt: \$738,272 Proposed 1st Mortgage Amt: \$2,349,000

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

CASH FLOW (NOI minus DEBT SERVICE)		
USES OF CASH FLOW BELOW (This row also shows DSCR.)		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
'Below-the-line' Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)	50,249	2nd
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	1st
Other Payments		
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0% Provide additional comments here, if needed.
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>55,249</b>	<b>PUPA: 1,579</b>

<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>	<b>14,252</b>	
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**Residual Receipts Calculation**  
 Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **Yes**  
 Will Project Defer Developer Fee? **Yes**  
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 50% Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): **7,126**  
 % of Residual Receipts available for distribution to soft debt lenders in 50%

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$14,242,242	77.43%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$4,150,967	22.57%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	14,252	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	14,252	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	(0)	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
<b>DEBT SERVICE</b>	<b>0</b>	
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>	<b>0</b>	
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
<b>Total Non-MOHCD Residual Receipts Debt Service</b>	<b>0</b>	

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

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

[See attached]



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**Attachment M: Joint Venture Agreement**

**BHHC, TCDC, MREG: Framework for MOU/JV**

**Legend: X = lead org role, x = collaborative/support role**

**For non-lead items, other party is expected to support, review and participate in approval**

12/13/2023

TASK	LEAD		
	BHHC	TCDC	MREG
<b>Acquisition - Purchase + Sale Agreement</b>			
Negotiate acquisition/PSA			X
Negotiate potential acquisition of liquor license			X
Perform site due diligence per HAF requirements, incl environmental reviews and investigation		X	
Appraisal			X
Initial deal underwriting			X
Obtain insurance	X		
Closing on Property and Acquisition	X		
Closing on Pre-Development Loan	X		
<b>Ownership Entity</b>			
MGP Entity	X	X	
AGP Entity			X
Establish Limited Partnership Entity (GP and LP investor as partners)	X	X	X
Establish Developer Entity	X	X	X
<b>Fiscal Management</b>			
Create initial development budget and operating pro forma			X
Manage funds, disbursements, and draws prior to formation of General Partner entity	X	x	
Manage funds, disbursements, and draws after assignment of funds to General Partner entity	X	x	
Maintain fiscal records and books for Project; direct project completion audit	X	x	
Prepare submission package for 8609 and work with to secure close out package	X	x	
Submit documentation to support conversion of first mortgage to permanent status	X	x	
<b>Project Planning</b>			
Create and monitor a detailed project schedule for all phases of development	x		X
Develop pre-development budget	x		X
Develop and update comprehensive project concept to share with development team members, lenders, funders, etc.	x		X
<b>Communications</b>			
Prepare external communication (e.g., media, signage)	X	X	X
Decide on Project name, owner corporation name	X	X	X
Ensure open Project team communications	X	X	X
<b>Project Team</b>			
Select all consultants, not limited to but including Legal Counsel, Architect, General Contractor, Financial Consultant, and Construction Management Consultant.	X	X	X
Ensure compliance with all City of San Francisco hiring policies and requirements		X	
Oversee process to select, execute MOU, and contract with Architect			X
Oversee process to select, execute MOU and contract with GC		X	
Oversee process to select, execute MOU and contract with Legal Counsel			X
Oversee process to select, execute MOU and contract with Financial Consultant			X
Oversee process to select, execute MOU and contract with Construction Management Consultant		X	
<b>Community Outreach</b>			
Develop and implement strategies for resident outreach, including two-way information sharing	X	x	
Develop and implement community outreach strategy to engage surrounding neighbors	X	x	
Coordinate ongoing community relations through construction	X	x	
Develop relationships with community to guide retail development, if any	X	x	

**BHHC, TCDC, MREG: Framework for MOU/JV**

**Legend: X = lead org role, x = collaborative/support role**

**For non-lead items, other party is expected to support, review and participate in approval**

**12/13/2023**

TASK	LEAD		
	BHHC	TCDC	MREG
<b>Project Design/Preconstruction</b>			
Oversee Schematic Design phase - to develop design program, scope of work and construction budget.	x		X
Oversee Design Development phase	x		X
Oversee Construction Documents phase	x	X	
Oversee GC contribution to value engineering	x	X	
Communicate to ensure property management input to design	x	X	
<b>Entitlements</b>			
Obtain all necessary entitlements for Project approval	x	X	x
Coordinate all necessary environmental or other due diligence work to obtain above approvals	x	X	x
<b>Financing</b>			
Develop overall financing plan	x	x	X
Prepare development budget with Use of funds (Sources and Uses of Funds) including assumptions/calculations	x	x	X
Work with management company to develop preliminary operating budgets for finance underwriting		X	
Prepare and submit funding applications prior to formation of General Partner entity for Green Charrette Grant (Enterprise), City predevelopment and gap financing (MOHCD), and others; execute financing agreements	X	X	X
Prepare and submit funding applications after formation of General Partner entity for TCAC (4%), CDLAC (tax-exempt bond), commercial mortgage, AHP; execute financing agreements	X	X	X
Continuous review of budget and cash flow assumptions, and updating based on new information, new ideas, and new scenarios	x	x	X
Close construction and permanent financing (including MHP), see above	X	X	X
Oversee solicitation process to select Project lenders and investor limited partners; negotiate financing terms with lenders and investors	X	X	X
<b>Right-of-Return</b>			
Determine need for permanent relocation back to property	X		
Engage consultant, if necessary, to manage relocations	X		
Develop Relocation Plan, if necessary	X		
Work with Property Management company	X		
<b>Construction Management</b>			
Oversee building permit submittal		X	
Hire and oversee owner's rep/construction manager who will inspect and approve contractor's work and ensure compliance with contract		X	
Report to partnership on construction progress		X	
Approve and process GC progress payment applications	X	X	X
Review and approve change orders, including any changes to the scope of work, costs, and/or construction schedule.	X	X	X
Coordinate with utility providers		X	
Ensure compliance with all City of San Francisco and other subcontracting, wage, and hiring policies and requirements		X	
Participate in construction meetings	X	X	X
<b>Commercial (if applicable)</b>			
Identify commercial program	X	X	x
Develop Leasing Plan	X	X	x
Coordinate with neighborhood for commercial provision	X		
Secure funding	X	X	X



**BHHC, TCDC, MREG: Framework for MOU/JV**

**Legend: X = lead org role, x = collaborative/support role**

**For non-lead items, other party is expected to support, review and participate in approval**

**12/13/2023**

TASK	LEAD		
	BHHC	TCDC	MREG
<b>Resident Engagement and Services</b>			
Create and execute plan for resident engagement in conversion process	X	x	
Determine opportunities for and implement program for resident employment, if necessary	X	x	
Identify services program	X	x	
Select, Contract with third-party service providers	X	x	
Coordinate with DPH, OEWD, DCYF, and other city agencies for service provision, if necessary	X	x	
Secure annual allocation of services funding, if necessary	X	x	
<b>Property Management - 3rd Party</b>			
Oversee marketing and lease-up activities		X	
Prepare Property Management plan, including staffing structure and projected cost		X	
Provide ongoing Property Management, including reporting and compliance related to tenancy		X	
Ensure compliance with all property management requirements from any funding source		X	
<b>Asset Management, Compliance</b>			
Provide ongoing asset management to ensure fiscal health of the project	X		
Provide ongoing accounting, record-keeping, and audits	X		
Prepare and submit all financial reports required of government lenders and funders.	X		
Provide ongoing monitoring, compliance and reporting of resident services, community activity, resident participation in available programming	X		

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**Attachment N: Commercial Leasing Plan**

## **3300 Mission – Commercial Development Plan**

### **Description**

3300 Mission is an acquisition and rehabilitation project located at 3300 Mission Street (the “Project”) lead by 3300 Mission Partners LP, a partnership amongst Bernal Heights Housing Corporation (“Bernal”), Tabernacle Community Development (“Tabernacle”), and Mitchelville Real Estate Group (“Mitchelville”). Before the entire building was nearly destroyed by fire in 2016, the ground floor of 3300 was formerly inhabited by a taqueria and a dive bar.

After rehabilitation, there will be a commercial space of approximately 776 square feet (the “Commercial Space”). 3300 Mission Partners LP will lease the Commercial Space to a lessee which has yet to be determined. With the assistance of its commercial broker, 3300 Mission Partners LP intends to place a tenant in the space that is a good fit for the community. Additionally, throughout the pre-development and construction phase, 3300 Mission Partners LP will be engaging in community outreach to gather input on the space allocation of the Commercial Space in the face of declining retail and commercial activity in the immediate neighborhood of the Project.

The 3300 Mission Project is strategically located within a bustling active commercial corridor, offering it much opportunity for business growth and community engagement. The Project is situated at the corner of the vibrant Mission Street and 29th Street, a prime location that is surrounded by a diverse range of retail stores, restaurants, and service providers. The Project already attracts a steady stream of foot traffic from residents. 3300 Mission Partners LP hopes that the Project’s high visibility and engagement will allow it to become a cornerstone in an active commercial hub.

### **Leasing/ Marketing Strategy**

Concluding Phase 1 of the community outreach process where Bernal educated the neighboring residents of the development of the Project generally, Bernal will initiate Phase 2 of its outreach to specifically discuss the leasing of the commercial space. The community engagement team will conduct a survey for the commercial space to get community feedback on what the needs and wants are for the commercial space. The team will host a series of meetings leading up to construction of the commercial space which will include outreach via postcard mailing. Local businesses can submit letters of support and interests for what they hope to see in the commercial space.

When a building permit is secured (forthcoming in the third or fourth quarter of 2024) Bernal intends to engage the DN Group, a commercial broker familiar with the neighborhood. The DN Group has over 15 years of experience with commercial leases and is actively transacting in the Bernal Heights neighborhood. The space will be marketed to non-formula retail eligible neighborhood, community-oriented retail, and public

benefit uses. The commercial broker will list the property and Bernal will commence outreach to community groups in tandem.

Current plans are to build the space out to cold shell, as defined in the MOHCD Commercial Space Underwriting Guidelines. If a Public Benefit Use is secured, build out would be to warm shell.

Based on current comparables, attached here, the Commercial Space is likely to lease at \$44/sf/year which equals an estimated \$34,144 per year. The property has superior visibility and frontage on two streets. The comparables range from 500 to 1,500 rentable square feet and are similarly located within the Mission/Potrero or Southern City submarkets. Additionally, the comparables have an average asking rent of \$46.58/sf/year, making the Commercial Space well-positioned to command similar rates.

The leasing strategy for the Commercial Space will leverage the Project's prime location and visibility to attract diverse tenants. First, signage will be installed on-site to increase visibility. Next, a targeted marketing campaign will be implemented through a combination of digital, direct mail, and social media marketing. Email campaigns will be sent to targeted audiences from the broker's database of over 6,000 contacts. The Commercial Space will be featured on widely-used platforms for commercial real estate such as Loopnet, CoStar, MLA, Crexi, and Craigslist. The Commercial Space will also be promoted via digital advertisements and posts to generate leads, increase website traffic, and to target prospective buyers. Lastly, physical publications, via magazines and postcards, will be sent to property owners, managers and real estate agents in the Bay Area to generate further interest.

Based on the attached TCAC Application's Sources and Uses Budget and Guzman's Hard Cost estimate based on 100% DDs, the current commercial cost is estimated to be \$1,355,953 which breaks down as follows:

- \$684,852 Hard costs;
- \$546,101 Soft costs; and
- \$125,000 Developer Fee.

Please note the hard costs will be adjusted when GMP pricing is received in early August 2024.

Because the project includes only one small commercial space, we request that MOHCD waive the requirement for a formal market study.

### **General Contractor**

Guzman Construction was selected via RFP in December 2023. Guzman will provide GMP pricing based on 90 CDs and/or fully permitted CDs in early August 2024.

**Commercial Buildout**

The cost to build the commercial space is estimated to be \$1,355,953. The final GMP cost to build out the commercial space will be provided by Guzman in August 2024. The plan for the commercial buildout is during construction while securing a tenant simultaneously.

**Funding Sources**

The project anticipates using MOHCD funds to cover the costs to construct the commercial shell. Depending on the eventual tenant, MOHCD funds may cover the cost for the warm shell which Guzman estimates will be \$68,000.

**Schedule (need update)**

	<b>Project Timeline</b>	<b>Commercial Leasing Schedule</b>
1/24	Entitlement Approval	Commercial Plan
3/24 to 10/24	Building Permits Issued	Engage Commercial Broker and Commence Marketing & Community Outreach Phase 2
11/24	Construction Loan Close	
12/24 to 5/26	Construction Period	Lease Agreement (3-6 months anticipated for negotiation). Tenant Improvements
May/ June 2026	Draft LOI	Target LOI by construction completion
TBD		Grand opening

Additional considerations

- Modify the curbs – check with BAR
  
- Transportation: The San Francisco Municipal Transportation Agency (SFMTA)’s network of muni buses and light rail metro trains ensure public accessibility to the Project with the 14, 14R (rapid), and 49 Muni bus lines frequently running through Mission Street and 30th Street. The bus stop ID 15572 is conveniently located at just 0.1 miles away from the Project site. As such, this Project is poised to contribute to the economic vitality of the corridor, providing new commercial spaces that will enhance the overall appeal and functionality of the area.

Attachments:

- Commercial broker’s rental analysis
- Ground floor plans & renderings (BAR)
- TCAC E-Application

- Community survey & input (Luis & Sulaiman)