

**Citywide Affordable Housing Loan Committee**  
San Francisco Mayor's Office of Housing and Community  
Development  
Department of Homelessness and Supportive Housing  
Office of Community Investment and Infrastructure  
Controller's Office of Public Finance

**Treasure Island Parcel C3.1**  
**\$33,452,317 Gap Loan**  
**Inclusive of \$1,250,000 AHP Bridge Loan and**  
**up to \$5,000,000 TIDA IRFD Bridge Loan**

Evaluation of Request for:	Gap Funding
Loan Committee Date:	March 18, 2022
Prepared By:	Cindy Heavens, Senior Project Manager
MOHCD Asset Manager:	TBD
Sources and Amounts of New Funds Recommended:	Up to \$28,952,317 ERAF - \$2,036,820 2019 GO Bond - \$26,915,497
Sources and Amounts of Previous City Funds Committed:	\$4,500,000 AHF Inclusionary - \$3,500,000 CPMC Fund - \$1,000,000
NOFA/PROGRAM/RFP:	Treasure Island
Applicant/Sponsor(s) Name:	Mercy Housing California

## **EXECUTIVE SUMMARY**

### **Sponsor Information:**

Project Name:	Treasure Island Parcel C3.1	Sponsor(s):	Mercy Housing California
Project Address (w/ cross St):	Treasure Island Parcel C3.1, 78 Johnson Street	Ultimate Borrower Entity:	Mercy Housing California 82, LP

### **Project Summary:**

This loan evaluation is a request for \$33,452,317 in gap funds for Treasure Island Parcel C3.1, the second affordable development to begin construction on Treasure Island. Treasure Island is a master planned redevelopment project approved by the Board of Supervisors in June 2011 to build up to 8,000 total new and replacement units on Treasure Island and Yerba Buena Island. Treasure Island Parcel C3.1 is part of Major Phase 1 of the Treasure Island/Yerba Buena Island Redevelopment Plan. The affordable housing on Treasure Island Parcel C3.1 will be developed by Mercy Housing California ("Mercy").

The proposed affordable housing development on Treasure Island Parcel C3.1 (the "Project" and/or "TI-C3.1") includes 138 units consisting of 23 one-bedrooms, 60 two-bedrooms, 40 three-bedrooms, and 14 four-bedrooms plus one manager's unit. Seventy-one (71) of the units will be replacement units for Catholic Charities' One Treasure Island units supported by a Continuum of Care ("CoC") contract and 23 non-income restricted units (at initial occupancy and until all eligible households have received their benefit) for existing Treasure Island residents ( "Legacy Household". The remaining 43 units will be new affordable lottery units with a preference for income qualifying Legacy Residents and Vested Residents currently living in market rate units on Treasure Island. The Project's area median incomes ("AMI") based on household size range from 30% California Tax Credit Allocation Committee ("TCAC") AMI up to 60% TCAC AMI in the DAHLIA lottery units and up to 100% TCAC AMI in the 23 Transition Units. (See definitions and chart showing City affordability restrictions and equivalent AMI's in Section 4.11 and 4.12).

In May 2021, Loan Committee approved a preliminary gap commitment of \$33,662,810 to accompany a 2021 Round 2 bond application. Like other City developments, the Project was not awarded bond financing, but Mercy was informed in September 2021 that the project was designated as a Tier 1 project under the State's Housing Accelerator program ("Accelerator"). In February 2022, Treasure Island Parcel C3.1 was awarded Accelerator funds. In order hold general contractor pricing, the construction closing needs to occur by the first week in May 2022. If loan is recommended for approval, Mercy also plans to start construction in May 2022. The estimated construction completion date is March 2024.

### **Project Description:**

Construction Type:	Type 1/Type 3/Type 5	Project Type:	New Construction
Number of Stories:	7	Lot Size (acres and sf):	1.14 acres / 49,497 sf
Number of Units:	138	Architect:	Paulett Taggart Architects (PTA)
Total Residential Area:	136,560 sf	General Contractor:	Nibbi Brothers
Total Commercial Area:	0 sf	Property Manager:	Mercy Housing Management Group
Total Building Area:	210,586 sf	Supervisor and District:	Matt Haney, D-6
Land Owner:	Treasure Island Development Authority ("TIDA")		
Total Development Cost (TDC):	\$117,273,831	Total Acquisition Cost:	\$25,000
TDC/unit:	\$849,810	TDC less land/unit:	\$849,629

Loan Amount Requested:	\$28,952,317	Request Amount / unit:	\$209,799
HOME Funds?	No	Parking? Yes, 25 spaces	or 0.20 parking ratio

### **PRINCIPAL DEVELOPMENT ISSUES**

- **Affordability.** DAHLIA Lottery Units restricted at 60% TCAC AMI are underwritten at 55% City AMI rents for applicable bedroom size. Prior to the submission of the Accelerator application, Sponsor requested that the affordability restriction and rent on the 60% TCAC AMI units as submitted in the 2021 Round 2 application be changed to an affordability restriction and rents of 50% TCAC AM. Staff agreed to restrict the units to 60% TCAC AMI with rents at 55% City AMI since during the pandemic 60% TCAC AMI rent levels were essentially at market rate. While TI-C3.1 will begin marketing in fall of 2023, when hopefully the market will have returned to pre-pandemic levels, staff recommend keeping the affordability restriction at 60% TCAC AMI while underwriting at slightly lower rents. Prior to marketing the Sponsor must complete a market study to verify that rents can be at 60% TCAC AMI. See Sections 4.11, 4.12, 7.1, and 9.2.
- **Transition Unit Rents:** Transition Units are for Legacy Households and represent TIDA's transition obligation. Because the Legacy Household live in market rate units on Treasure Island, The Villages, residents in these units do not undergo annual certifications and the rents increase by only 1% a year. TIDA provided the rents of all Legacy and Vested Households, but does not know the incomes of these households. In this request, rents for the Transition Units are underwritten at the median rent of all Legacy and Vested Household, whereas in the preliminary gap request, the rents were assumed to be the low end of the range. Because this request assumes the slightly higher Transition Unit rents, the permanent mortgage has increased. See Sections 4.11, 4.12, 7.1.
- **City to replace CoC with Local Operating Subsidy Program ("LOSP") if CoC is not renewed.** Citibank agreed to provide a permanent loan based on actual rents collected and CoC rental subsidy. While MOHCD's affordable housing developments typically do not underwrite CoC rental subsidy as debt in new construction developments, because there are 71 (51%) CoC rental units in TI-C3.1, there is excess cash flow if debt is not underwritten on the CoC rental subsidies. TI-C3.1 had AHSC financing before the Accelerator funds, and with AHSC any excess cash flow would be shared with State HCD. Also, when the Project was planned as a tax-exempt bond project, the large amount of excess cash flow would not been allowed. For this reason and to not increase the City contribution to the project, HSH agreed that MOHCD may allow the Sponsor's lender to underwrite debt on CoC rental subsidy. CoC rental subsidy is only awarded in 3 year grants, unlike project based Section 8 or LOSP that is provided with longer terms, and the permanent lender, Citibank, will require a Memorandum of Understanding ("MOU") between the Borrower, HSH and MOHCD regarding replacing CoC with LOSP if CoC is not renewed. See Section 6.5.1.

### **SOURCES AND USES SUMMARY**

<b>Predevelopment Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD/OCII	\$2,000,000	3 yrs/mth @ 3% Def	Committed
MOHCD Predev 2	\$2,500,000	3 yrs/mth @ 3% Def	Committed
<b>Total</b>	<b>\$4,500,000</b>		

<b>Permanent Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD/OCII includes predevelopment funds	\$33,452,317	55 yrs @ 3% / Res Rec	This Request
AHSC	\$13,753,000	55 yrs @ 3% / Res Rec, 0.42% required debt payment	Committed
HCD Accelerator Funds	\$55,601,514	20 yrs @ 0%	Committed
Perm Loan	\$14,467,000	20 yrs @ 5.20% / Hard Debt	Committed
<b>Total</b>	<b>\$117,273,831</b>		

<b>Permanent Uses</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Per SF</b>
Acquisition	\$25,000	\$181	\$0.12
Hard Costs	\$98,295,567	\$712,287	\$510
Soft Costs	\$16,753,264	\$124,241	\$87
Developer Fee	\$2,200,000	\$15,942	\$11
<b>Total</b>	<b>\$117,273,831</b>	<b>\$851,260</b>	<b>\$609</b>

### **RECOMMENDATION**

Staff recommends approval of this loan.



## 1. BACKGROUND

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

For a summary of Treasure Island (“TI”), TIDA, Treasure Island Community Development LLC (“TICD”), One Treasure Island (“One TI”) and Development Agreement history, see Attachment A.

Treasure Island Parcel C3.1 (“Project”) is the second 100% affordable development to begin construction on TI. Treasure Island Parcel C3.1, a 138 unit development, is located at 78 Johnson Street (previously referred to as “6<sup>th</sup> Street at Avenue C”). TI-C3.1 is responsive to the Consolidated Plan in that its 138 affordable housing units contribute to the Regional Housing Needs Assessment (“RHNA”) goals to produce 831 units, 619 low income units, and 728 moderate units by 2022.

This project first came before the Loan Committee in February 2019. At that time the Sponsor requested a \$2MM predevelopment loan and a preliminary gap loan commitment for a State Housing and Community Development (“HCD”) Affordable Housing and Sustainable Communities (“AHSC”) loan application. In January 2021, the Loan Committee approved an additional \$2.5MM in predevelopment in order for the Sponsor to achieve 90% construction drawings (CD’s) and complete all predevelopment activities related to a construction closing, including applying for tax-exempt bonds, securing a lender and investor for the project that includes securing a lender on the Continuum of Care grant funds, and requesting an extension of the AHSC award. In May 2021, Loan Committee approved a preliminary gap commitment totaling \$33,662,810 for Mercy to apply for tax-exempt bond financing in 2021 Round 2. Unfortunately, similar to other San Francisco developments, the Project was not awarded tax-exempt bond financing.

In September 2021, HCD awarded the highest priority to the Project under the Accelerator. This high designation, Tier 1, meant that the Project could receive funds from the Accelerator to replace tax credit equity since the Project did not receive an allocation in the 2021 second CDLAC funding round. HCD awarded the Project Accelerator funds in January 2022. In order to hold general contractor pricing that was received on February 25, 2022, the Sponsor must close the construction financing, including the City permanent loan, by the first week in May 2022. HCD requires that all Tier 1 awardees commence construction on or before August 2022.

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

Catholic Charities, a One TI founding member and housing services provider and grantee named on the Continuum of Care (“CoC”) contract,

selected Mercy as the developer to develop their One TI replacement units and new construction units. Catholic Charities, however, is not participating in the ownership entity of the Project, but they will be the service provider supporting the households in units with CoC subsidies.

In 2011, TICD received approvals for the master development of TI that included approximately 8,000 new residential units of which 435 new units are for homeless households that are to be developed by One TI member organizations. In 2011, the Board of Supervisors approved a new agreement with One TI outlining its participation in the development project via housing, economic development and support components and reflects the updated land use plan, development program, housing plan and financing plan described in the TICD Disposition and Development Agreement. The 2011 One TI Agreement explicitly states that TIDA will ground lease each One TI Lot to a selected One TI member organization approved by TIDA for the construction of One TI housing units. One TI has proposed and TIDA approves Mercy, as selected by Catholic Charities, as the One TI organization that will lease and develop Parcel C3.1.

The Amended and Restated Base Closure Homeless Assistance Agreement dated June 28, 2011 ("BCHA Agreement") outlines all TIDA obligations with respect to housing and services for One TI's current and formerly homeless individual and family residents. The BCHA Agreement also governs certain new housing, employment and economic development opportunities that are managed by One TI. The BCHA Agreement provides a strong basis for advancing MOHCD racial equity goals in the following ways:

- Advance opportunities and improve programmatic outcomes for Black, Brown and low-income residents;
- Expand opportunities for smaller, local nonprofit organizations, especially Black, Brown, Indigenous and other people of color (BIPOC), as well as BIPOC staff of all team members, to gain experience in housing development and leadership roles
- Implement programs in a manner that minimizes displacement and increases community agency and economic opportunity

See Exhibit A for a description of how TIDA implements these racial equity goals.

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. Mercy Housing California 82, L.P., a California limited partnership, formed by parent entity Mercy Housing California to own, manage own and operate the Project.

1.3.2. Joint Venture Partnership. Not Applicable (“N/A”).

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

	Sexual Orientation	Gender Identity	Race
<b>Mercy Housing California Board</b>	Question not asked	M: 7 F: 11	Asian: 2 African American: 4 Caucasian: 9 Latinx: 2 Biracial: 1
<b>Mercy Housing, Inc. Board</b>	Question not asked	M: 10 F: 10	Asian: 1 African American: 3 Latinx: 1 Caucasian: 15
<b>Mercy Housing, Inc. - All Staff</b>	Question not asked	Female – 58% Male – 42%	2 or More Races – 3% American Indian/Alaska Native – 1% Asian – 11% Black or African American – 24% Hispanic or Latino – 22% Native Hawaiian/Other Pacific Islander – 1% Not specified – 1% White – 37%
<b>Mercy Housing California - All Staff</b>	Question not asked	Female – 57% Male – 43%	American Indian/Alaska Native – 1% Asian – 21% Black or African American – 17% Hispanic or Latino – 31% Native Hawaiian/Other Pacific Islander – 2% Not specified – 1% White – 22%
<b>Mercy Housing California - Development Staff</b>	Question not asked	Female – 50% Male – 50%	Asian – 20% Not specified – 20% White – 60%

1.3.4. Racial Equity Vision. In March 2021, Mercy Housing California released its draft of the Racial Equity, Diversity and Inclusion (REDI) organizational framework; the REDI organizational framework will consist of 6 focus areas:

1. Resident Empowerment
2. Policy, Planning, and Practice
3. Communication and Advocacy
4. Education and Training
5. People and Culture
6. Hiring, Recruitment and Promotion

1.3.5. Relevant Experience. Mercy has been part of the TI development as a founding member of One TI (formerly known as the Treasure Island Homeless Development Initiative) and the developer that rehabilitated 140 existing units on behalf of One TI service providers, including Catholic Charities, when access to the units was transferred from the Navy to TIDA in 1998. Mercy has been developing and owning affordable housing in San Francisco for 30 years. Mercy owns and operates 55 buildings that it developed in San Francisco for families, seniors, disabled, and formerly homeless households in San Francisco, including three properties in Mission Bay (1180 Fourth St,

Mission Creek Senior Housing and 691 China Basin, as well as one property in the nearby Transbay District (280 Beale). Mercy also has 4 additional properties under construction in San Francisco and 7 in pre-construction. For more information about Mercy's development experience, please see Attachment D.

1.3.6. Project Management Capacity. Nabihah Azim is the lead MHC Project Manager for Parcel C3.1 and will spend 40% FTE on the Project. Ms. Azim is supervised by Elizabeth Kuwada, who will spend 10% FTE. Nyla Hill is the Assistant Project Manager and will spend 25% FTE on the Project.

1.3.7. Past Performance.

1.3.7.1. City audits/performance plans. Mercy has no fiscal issues and is a strong performer from a large parent organization. On Derek Silva (GMS ID 160156-21), a property with Housing Opportunities for Persons with AIDS ("HOPWA") funds, Mercy has experienced significant staff turnover that has impacted Mercy's ability to invoice. MOHCD staff contacted Mercy senior management since there is no area director or property manager on Derek Silva as of January 28, 2022. Also, as of January 28, 2022, Mercy had not provided invoices for fiscal year beginning July 2021 through June 2022.

1.3.7.2. Marketing/lease-up/operations. There are no report cards at the writing of this loan request. Mercy is completing lease up of 290 Malosi, formerly known as Sunnysdale HOPE SF Block 6, and MOHCD BMR/Marketing team has nothing to report at this time. However, the MOHCD BMR/Marketing team in November 2021 for 1939 Market reported that while Mercy performs well on recent marketing efforts, they tend to be understaffed. For this Project, with the complicated marketing due to multiple types of targeted households as discussed in Section 4.11, 4.12, and 4.13 of this loan evaluation, Mercy will evaluate the marketing staffing levels that are within the attached budget for overall feasibility.

In November 2021, Mercy reported that they have 4,217 units of affordable housing in San Francisco. The below chart represents the number of people currently living in Mercy-owned properties in San Francisco, disaggregated by race.

Race	Count	Ethnicity	Count
Asian	2995	Not-Hispanic or Latino	5576
White	1385	Hispanic or Latino	1383
Black or African American	1155	Member did not specify	180
Other	1092	Blank	32
Member Did Not Specify	212		
Native Hawaiian or Other Pacific Isl	173		
American Indian or Alaska Native	154		
Blank	10		
	7176		7171

In November 2021, Mercy reported that there have been 5 evictions in Mercy's 4,217-unit portfolio. Mercy does not currently track move out reasons, including evictions, by race at this time.

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

Site Description	
Zoning:	Parcel C3.1 is zoned Treasure Island Residential (TI-R), it has a 125' and 70' height limit along the eastern side of the block and a 40' height limit along the western side of the block, which may be exceeded up to 52 feet in certain circumstances.
Maximum units allowed by current zoning (N/A if rehab):	Max units per height limit is 138.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4
Soil type:	The Geotechnical Conceptual Design Report for Treasure Island was completed on February 2, 2009. It describes soils comprised of 30-50 ft of sand fill and 20-120 ft of young bay mud, underlain by firmer soils. An island-wide geotechnical stabilization process is underway; see Section 2.3 below. Geotech improvements for C3.1 have been completed.
Environmental Review:	The Final EIR for the Treasure Island/Yerba Buena Island Redevelopment Project was certified on April 21, 2011. Finding of Suitability (in lieu of Phase I/II) was approved on February 15, 2006. A number of mitigations were identified and will be addressed outside of this project. MOHCD facilitated an Environmental Assessment on behalf of C3.1 and this was certified in October 2019. Phase I for Parcels C3.1 and C3.2 was completed on July 2, 2018. A site specific Phase 1 was completed for Parcel C3.1 dated December 15, 2020.

	NEPA for the CoC operating subsidy is required. The Authority to Grant Funds ("AUGF") was completed on January 20, 2020.
Adjacent uses (North):	Market rate housing will be located north of the proposed project.
Adjacent uses (South):	The Chinatown Community Development Center/ Swords to Plowshares development, Maceo May, is under construction on a parcel south of Parcel C3.2.
Adjacent uses (East):	The existing Job Corps project will remain in its current location east of the proposed project.
Adjacent uses (West):	Market rate housing will be located west of the Project, on the other side of the shared right-of-way. A greenway will separate the southern edge of the residential area from the bay.
Neighborhood Amenities within 0.5 miles:	Life Learning Academy, Treasure Island Child Development Center, chapel, San Francisco Fire Department (SFFD) fire station, San Francisco Department of Public Health Nurse Intervention Clinic (open twice a week).
Public Transportation within 0.5 miles:	SF Muni: 25 bus; new privately subsidized ferry service that commenced in February 2022 at new ferry terminal
Article 34:	Not exempt. MOHCD Article 34 was completed on January 28, 2019. Due to some changes in the number of affordable units and Continuum of Care units, staff submitted an updated request for determination in January 2022. Staff anticipates authorization letter to be received in mid-April 2022.
Article 38:	Not exempt: Project is in a Maher area.
Accessibility:	Project will provide at least 15% of tax credit eligible units as described in California Building Code ("CBC") 11B 809.2 through 11B 809.5 with mobility features and 10% of tax credit eligible units described in CBC 11B 809.5 for hearing and visual aid features. Adaptability requirements will be determined by the San Francisco Mayor's Office on Disability. Mobility, hearing, and visual aid features must be spread proportionally among all unit types in building.
Green Building:	While Treasure Island overall is projected to be the largest LEED Platinum Neighborhood Development in the U.S., each affordable parcel will achieve Green Point Rating of at least 125.
Recycled Water:	Not exempt (dual plumbing is required.)
Storm Water Management:	Storm Water Management improvements are being completed by the principle developer. No site-specific Storm Water Management Plan is required and will be developed.

2.1 Description. Treasure Island Parcel C3.1 is vacant land. Previously the site was occupied by The Star Barracks which housed formerly enlisted military personnel. Naval Station Treasure Island was decommissioned

in 1994, and the vacant Star Barracks were demolished in 2018 as part of the redevelopment plan for Treasure Island.

The site is in the Treasure Island neighborhood of San Francisco. Market rate housing will be located west and north of the proposed Project. A greenway will separate the southern edge of the residential area from the bay. Directly south of the site is an affordable housing project, Maceo May, that is currently under construction, developed by Chinatown Community Development Center and Swords to Plowshares. The existing commercial use Job Corps project will remain east of the Project.

As part of the first new construction projects on Treasure Island, Treasure Island Parcel C3.1 will be completed before many of the planned additional amenities become available. However, existing amenities including a grocery store, public health clinic, childcare center, place of worship, and Muni bus service are available today, and are used by over 500 existing resident households on Treasure Island. See Attachment A for all existing TI-wide amenities.

The grocery store is Island Cove Market located in the Navy Base Exchange Building. The closest public schools, Life Learning Academy and Treasure Island Child Development Center, are less than 1 mile from the site. The 25 bus line is located near the site and runs approximately every 15 minutes.

Upcoming planned amenities include ferry service to San Francisco that started in February 2022, expanded bus service, 207,000 square feet of retail development, and 302,000 square feet of commercial development.

- 2.2 Zoning. Zoning for Treasure Island is governed by the Treasure Island/Yerba Buena Island Special Use District, incorporated into the SF Planning Code, which established basic land use and development standards and establishes TIDA and the Planning Department as approval entities for any vertical development. This Special Use District (Planning Code 249.52) creates a new city neighborhood within a previous naval base by providing significant amounts of affordable housing, increased public access and open space, transportation improvements, extensive infrastructure improvements, and recreational and entertainment opportunities. A Design for Development (D4D) document approved by TIDA, the Board of Supervisors, and the Planning Department in 2011 offers detailed design standards and guidelines including building heights, massing, and setback benchmarks. Height zones focus the greatest density near transit, and aim to provide a comfortable pedestrian environment while crafting an attractive skyline that will be viewed from around the Bay Area. A Streetscape Master Plan offers detailed guidance on paving, street trees and planting, lighting, street furnishings, and parking. The site has a 125' height limit along the majority of Avenue C then steps down to 70' as it gets closer to the mid-block easement. The site also steps down to 40' at the

pedestrian public way, with stoops and plants allowed to encourage street activity. The D4D also requires green systems such as solar thermal and solar panels, public neighborhood parks, efficient public transit, and a recycle water ("purple pipe") system. The building heights are regulated by the D4D Section 2 T4.2 requiring different building heights and massing fronting streets that are programmed with different modes of transportation.

For multifamily buildings, the D4D requires that at least 50% of the façade area facing onto a public right of way must be transparent for the first 35 feet above grade. However, this requirement is inconsistent with transparency standards in other Development Agreement projects and in the Planning Code, which encourage transparency at the ground floor or at pedestrian eye level. In September 2018, the Planning Department agreed to modify the Transparency Standard T5.4.2 to require that only 50% of the ground floor facing the public right-of-way be transparent, or alternatively, to require an average of 50% transparency between all of the facades facing a public right of way. The modified standard would apply to mixed-use buildings where the primary use of the building is multi-family residential, and non-residential uses are limited to the ground floor. Due to this determination, the project will not have to include additional glazing and can move forward with the current design that meets the common glazing standards of a typical affordable housing project.

**2.3 Probable Maximum Loss ("PML")/Geotechnical Conditions.** N/A for PML because the Project is new construction.

Geotechnical Conditions: Geotechnical studies for Parcel C3.1 are part of the TI geotechnical design. The geotechnical improvement program for TI has four primary components to be completed as part of principal developer's, TICD's, horizontal improvements, under TIDA's supervision. The four geotechnical components are:

- 1) Reconstruction of the causeway connecting Treasure Island and Yerba Buena Island.
- 2) Improvement of Island Perimeter.
- 3) Vibratory Compaction.
- 4) Surcharging.

For a detailed description of the geotechnical design for TI, please see Attachment A.

Surcharging is complete for Subphase 1, which includes Parcel C3.1, as are reconstruction of the causeway, improvements of the TI perimeter, and vibratory compaction. Utilities for all of Subphase 1 are scheduled for completion by 3<sup>rd</sup> Quarter 2022. Infrastructure for all of Subphase 1 is scheduled for completion in 3<sup>rd</sup> Quarter 2022.



For Parcel C3.1, the development team has consulted with Rockridge Geotechnical regarding the current design. The preliminary study finds that the Parcel C3.1 building can be constructed as planned. Engeo is monitoring work that the infrastructure contractor is doing in order to ensure that it meets Parcel C3.1's specifications and will provide TICD with reports that it has conducted work.

- 2.4 Local/Federal Environmental Review. The Final EIR for the Treasure Island/Yerba Buena Island Redevelopment Project, certified on April 21, 2011, was determined in compliance with local CEQA and State CEQA Guidelines. The EIR describes a number of mitigation measures which will need to be incorporated into the principal developer's horizontal improvements. The project was appealed under CEQA in May 2011, but the BOS voted in June 2011 unanimously to deny the appeal and uphold the CEQA determination.

The United States Navy issued an Environmental Impact Statement (EIS) in 2005 that analyzed the transfer of Treasure Island and Yerba Buena Island to TIDA, and analyzed the effects of constructing 2,000 units of housing. In 2008, the Navy issued a reevaluation of the proposed project using 6,000 units of housing. In 2011, the Navy issued a Supplemental Information Report (SIR) on the effects on traffic only of developing 8,000 units of housing.

Staff at MOHCD, with the assistance of HUD, has concluded an Environmental Impact Statement ("EIS") is not required. An additional Environmental Analysis, triggered by the CoC subsidy contract, has been completed and was certified in October 2019.

Sea level rise and flood plain conditions are issues of concern in the NEPA review of Treasure Island. Current mitigations are designed to prepare the island for 36" of sea level rise, the mid-range of projections of sea level rise by 2100. This will involve raising most of the perimeter of the island to a height that will accommodate three feet of sea level rise and the storm surge associated with a 100-year event without overtopping. The Finished Floor Elevation throughout the vertical development area will also be raised to an elevation three feet above the current 100' storm surge elevation.

A new Treasure Island Community Facilities District ("CFD")/Mello-Roos District was created to reimburse TICD for public infrastructure and to fund the maintenance of open space on the Island. A capital account will be created to address sea level rise adaptations and capital needs required in the next 100 years. Affordable housing developments on TI, including Parcel C3.1, are exempt from paying the CFD special taxes.

Federal historical review does not apply for Parcel C3.1. There are no historical buildings on or near C3.1.

2.4.1 Environmental Issues. See Phase I/II bulleted below.

2.4.2 Phase I/II Site Assessment Status and Results. The State Department of Toxic Substance and Control (DTSC) oversaw a Finding of Suitability (FOST) process for the Navy's environmental assessment, cleanup, and remediation of land for all of TI and transferred its finding to TIDA. The FOST was approved on February 15, 2006 and confirmed that no additional environmental assessment or remediation was required, except for existing buildings to be demolished, which would need to be evaluated and abated individually per State and City regulations. According to TIDA, there was no separate Phase I/II report for the TI outside of the FOST process.

However, a project-specific Phase I report was completed by Mercy on December 15, 2020 by Langan Engineering and Environmental Services, Inc. Mercy requested the report in order to provide evidence to its Board of Directors, potential lenders and/or investors of the low risk to provide debt and equity to the development while there is a pending lawsuit regarding environmental cleanup. (See Section 2.4.1 below for a discussion about the pending lawsuit.) The Phase I Environmental Assessment stated that no Recognized Environmental conditions (REC) were identified associated with the site but a Historical Recognized Environmental condition (HREC) that was remediated was identified.

Island-wide remediation activities continue where necessary as specified in DTSC documents. The Star Barrack building, built in the 1940's, was previously located on the parcel. The building was abated and demolished in August 2016, so there should be no known environmental issues from that building.

2.4.1.2 Pending TI Lawsuit. In late January 2020, one week prior to the construction closing on the first affordable TI development, Maceo May, a complaint was filed against TIDA, One TI, TICD, the Navy and other entities. The complaint generally alleged that Treasure Island was contaminated at levels higher than disclosed to the public by the US Navy and that this information was knowingly withheld. In order to close on the financing and proceed with construction on the Maceo May development, the City provided a guaranty to the outstanding principal balance of the construction loan and the amount of equity that could be in construction if a stop work order were issued by the court. While the City provided a

construction and equity loan guaranty for the Maceo May development, City staff explicitly stated to the Sponsor during the closing of Maceo May that the City will not provide a construction guarantee to the remaining affordable developments on TI.

The court canceled a scheduled November 4, 2021 hearing on the motions filed by the City and other defendants to dismiss the third amended complaint stating that it would rule without hearing oral arguments. The City is awaiting a decision. If the matter proceeds to trial on Plaintiffs' third amended complaint, the City and TIDA believe that there are strong defenses available against each alleged cause of action relating to the City, TIDA and the individual City employees, which they intend to diligently pursue.

Note that in October 2020 and July 2021 TIDA issued two series of Community Facilities District bonds, which included disclosures about the lawsuit. For both sales, TIDA received high interest and over-subscriptions from institutional investors to purchase the bonds, indicating that the lawsuit has not posed substantial risk to deter potential investors or impacted the competitiveness of the bond sale.

In 2020, Mercy engaged Cox Castle & Nicholson (CNN) to work with Langan to assess potential radiological issues and the pending risk of injunction. In April 2021, CNN issued a memo that since there was no RECs associated with the property, there was no further action or investigation needed.

- 2.4.3 Potential/Known Hazards. There had been some questions about the samples collected for the remediation by the Navy. Remediation at the project site was completed by the Navy and concurred to by the DTSC prior to transfer to the City in May 2015. Earlier in 2018, the Navy, the State and the EPA found fault with sampling and cleanup work performed by the contractor TetraTech at the Hunters Point Naval Shipyard. Questions have been raised by Green Action Network whether these problems might extend to work performed by TetraTech at Treasure Island. Most of the Treasure Island work was performed by contractors other than TetraTech, and the State and the Navy have found no evidence to suggest similar problems exist with work TetraTech performed at Treasure Island, and TetraTech provided no services related to the site of the proposed project.

- 2.5 Adjacent uses and neighborhood amenities. Phase 1 of the Treasure Island Redevelopment Plan includes approximately 207,000 square feet of new commercial and retail space as well as transportation improvements. As stated above in Section 2.1 and as the second new affordable housing development on Treasure Island, the Project will

likely be completed before many new amenities are available. However, adequate amenities on the island serve 500 existing TI residents living in market-rate and affordable units, including:

- YMCA
- Life Learning Academy (an academic and vocational program for students who have not been successful in traditional school settings);
- Treasure Island Child Development Center;
- An existing chapel
- Public service facilities including a San Francisco Fire Department (SFFD) fire station and a fire training academy also operated by SFFD, and;
- Nurse Intervention Clinic, operated by San Francisco Department of Public Health (DPH) out of a dedicated clinic space at the Treasure Island Gymnasium twice a week
- Grocery store

The SF Muni 25 bus serves the island; per TIDA, AC transit is expected to begin once toll revenue starts to be collected and will provide bus service from Oakland. A privately subsidized ferry began service in February 2022. The cost will \$5 per ride for all users. The privately subsidized ferry is expected to transfer to public ferry service in 2025.

- 2.6 Green Building. All new buildings at Treasure Island are subject to Green Building Specifications, which supplements the Green Building Ordinance and covers guidelines for energy, waste, water, landscaping, building and site design, material and indoor air quality, and the use of regional vegetation, and providing “solar ready” infrastructure. Treasure Island is projected to be the largest LEED Platinum Neighborhood Development in the country; however individual affordable housing projects on TI will achieve Green Point Ratings typical for other affordable projects receiving tax credits or other subsidies of at least 125 points. Treasure Island C3.1 exceeds GPR and is LEED Gold.

### 3 COMMUNITY SUPPORT

- 3.1 Prior Outreach. Catholic Charities and Mercy Housing have had a presence on Treasure Island since 1999 as members of One TI, which is a collaboration of stakeholders working to foster and steward an equitable, inclusive, and thriving community for all TI residents, employees, businesses, and visitors. Additionally, Mercy has regularly engaged with Catholic Charities households and other families on TI.

In collaboration with Catholic Charities and TIDA, Mercy has developed a Community Engagement plan that outlines resident meetings, communication strategies, and ways to disseminate information and meaningfully engage with the community throughout the predevelopment and construction phases. A draft of this plan will be required prior to construction loan closing.

Mercy has kept residents informed through flyers, announcements, and presentations. Mercy has sent out Fact Sheets and Christmas cards to keep residents updated during the pandemic. In fall 2021, Mercy held in person community meetings and the Project architects attended and showed renderings and unit lay outs. Mercy will continue to hold more community meetings during construction and prior to marketing and lease up. Mercy has also presented regularly at the Treasure Island Citizen Advisory Board (“CAB”) to engage with all TI residents. Catholic Charities has regularly maintained communication with residents living in One TI units regarding Project updates.

- 3.2 Future Outreach. Mercy will continue to work with Catholic Charities to provide the Project’s construction updates to residents living in One-TI units. Also, Mercy has published a website to keep all TI residents and others venturing to site with updates on the Project. Once the Project is complete, the Resident Service Coordinator will work with Catholic Charities staff to keep the Project’s residents engaged.
- 3.3 1998 Proposition I Citizens’ Right-to-Know (“Prop I”). Prop I posting was completed in March 2019, prior to the Mayor’s execution of the predevelopment loan.

#### 4 DEVELOPMENT PLAN

- 4.1 Site Control. During the predevelopment period, site control is governed by the Option to Lease between TIDA and Mercy Housing California 82, LP (“MHC LP 82”) that was approved November 14, 2018 by the TIDA board. The Option to Lease will terminate when a Ground Lease is executed. The Ground Lease will be executed prior to or concurrent with the construction loan closing.

The term of the ground lease will be 99 years from the date of construction completion of the project, with a base rent of \$15,000. The Ground Lease may include additional rent to the extent feasible, in an amount (when combined with the Base Rent) not to exceed a total of 10% of the land value of the Property (as determined by a MAI appraiser selected by, and at the sole cost of, the tenant, and set forth in the Ground Lease), to be paid solely as residual rent, payable only to the extent proceeds are available from the Project after deductions for Project operating expenses, mandatory debt service payments, property management fees, reserve deposits required by Project lenders, deferred developer fees, and asset and partnership management fees in amounts permitted in accordance with MOHCD policy.

- 4.1.1 Proposed Property Ownership Structure Treasure Island is subject to the Tidelands Trust doctrine administered by the State of California, which holds that title to tidelands must be held in trust by the State for the benefit for the people of California. The

Treasure Island Conversion Act of 1997, enacted by the State legislature, authorizes TIDA to enter into leases of Tidelands Trust property for up to 66 years for uses consistent with the Tidelands Trust. However, the affordable parcels on Treasure Island are located on trust exempt parcels (housing is not a Tidelands Trust compatible use) and the Tidelands Trust restrictions are not applicable to Parcel C3.1. Therefore, the term of the ground lease for the future improvements is proposed to be 99-years. As such, TIDA will enter into a Ground Lease with the partnership entity at the closing of construction financing; there will be an annual ground lease payment. The partnership will own the improvements.

TIDA owns the land where Parcel C3.1 is located, and the parcel was created with the final map on November 11, 2018.

- 4.2 Proposed Design. The project has completed 100% CDs; the design includes open space, services room, a community room, teen room, and property management suite.

Avg Unit SF by Type (net):	1-br avg sf- 595 sf 2-br avg sf- 845 sf 3-br avg sf- 1,126sf 4-br avg sf – 1,399 sf																				
Do all units meet TCAC minimum SF?	Yes, all units exceed the TCAC minimum SF. <table><tr><th>Unit Type</th><th>TCAC Minimum SF as written in 6/16/2021 TCAC Regulations 10325(g)(1)(B)</th><th>Parcel C3.1 unit type percentage greater than TCAC minimums</th></tr><tr><td>Studios</td><td>200</td><td>N/A</td></tr><tr><td>1-BDR</td><td>450</td><td>24%</td></tr><tr><td>2-BDR</td><td>700</td><td>17%</td></tr><tr><td>3-BDR</td><td>900</td><td>20%</td></tr><tr><td>4-BDR</td><td>1,100</td><td>20%</td></tr></table>			Unit Type	TCAC Minimum SF as written in 6/16/2021 TCAC Regulations 10325(g)(1)(B)	Parcel C3.1 unit type percentage greater than TCAC minimums	Studios	200	N/A	1-BDR	450	24%	2-BDR	700	17%	3-BDR	900	20%	4-BDR	1,100	20%
Unit Type	TCAC Minimum SF as written in 6/16/2021 TCAC Regulations 10325(g)(1)(B)	Parcel C3.1 unit type percentage greater than TCAC minimums																			
Studios	200	N/A																			
1-BDR	450	24%																			
2-BDR	700	17%																			
3-BDR	900	20%																			
4-BDR	1,100	20%																			
Common Area SF:	26,733 gross sf																				
Bicycle Parking:	1,701 sf. This is for 138 bicycle parking spaces.																				
Parking SF:	13,315 gross sf. This is for 25 covered parking spaces 0.2:1.0 ratio.																				
Residential SF:	136,560 gross sf																				
Commercial SF:	Not Applicable – There is no commercial square footage in the Project.																				

Circulation SF	33,978 gross sf
<b>Building Total SF:</b>	210,586 gross sf

4.3 Proposed Rehab Scope. N/A

4.4 Construction Supervisor/Construction Representative's Evaluation. The overall massing and design for Parcel 3.1. is largely driven by the highly prescriptive guidelines set by the Planning Department for Treasure Island, which among other things call for first floor stoops at unit entries, the elevation of the first-floor residential units being two feet above adjacent exterior grade, and a taller mass facing the vehicular streets than those facing the shared public ways. The designers have managed to get variances from some of the requirements, but not all, and those that remain all tend to drive up construction costs. The inclusion of a parking garage – as is likely to be needed on all Treasure Island buildings – further adds cost compared to most other MOHCD funded projects, as does the relatively high bedroom to unit ratio.

Through previous value engineering rounds, the design has been refined to eliminate some of the more expensive decorative flourishes, but has managed to retain enough variety to still create the richly textured façade that the Planning Department approved. Now that the bids have been received and pricing submitted to MOHCD on February 25, 2022, the team is evaluating the proposals and the design to see if any further savings can be found, but it seems unlikely that any major savings will be achieved. The bids came in a bit higher than the last round of pricing, but this was expected given the volatility in the industry right now, and the Sponsor had been carrying slightly more contingencies than typical to this point, which essentially offsets the higher bid cost. As it stands post-bid, the building is slightly below average cost per SF compared to similar MOHCD/OCII buildings (\$467 for TI 3.1 vs. \$543 average), while being above average on a per unit basis (\$712K vs. \$630K), and a bit below on a per bedroom one (\$306K vs. \$363K.) Given all the cost escalating factors outside of the design team's control, these comparisons overall seem favorable.

To try and further mitigate against cost escalation in these still volatile times, the GC is carrying a 1% escalation allowance in addition to their 2% Contractor's Contingency. The sponsor is carrying a 5% Owner's Contingency as well. There was some discussion of reducing the overall amount of escalation / contingencies, but all parties (including MOHCD project manager and construction representative manager) feel that it is prudent to keep the amounts where they are.

4.5 Commercial Space. N/A.

4.6 Service Space. The design assumes approximately 934 gross square feet ("GSF") with an additional 297 GSF for a community kitchen and

storage space. The teen room is 727 GSF. There are three resident services offices totaling 343 GSF.

- 4.7 Interim Use. N/A.
- 4.8 Infrastructure. N/A. TICD and TIDA are responsible for infrastructure on Treasure Island. No infrastructure is included in this loan.
- 4.9 Communications Wiring and Internet Access. MOHCD Communications Wiring Standards are incorporated into the project. All units are receiving CAT 5 or CAT 6 and will be able to access the City's network fiber.
- 4.10 Public Art Component. TIDA sponsored buildings are exempt from the Public Art requirement. Public Art will be provided on Yerba Buena Island and TI by the TICD.
- 4.11 Marketing, Occupancy, and Lease-Up. As of the signing of the DDA between TIDA and TICD ("DDA"), there were 260 existing affordable housing units for formerly homeless households ("One TI units") and approximately 350 existing market rate housing units on all of TI and Yerba Buena Island ("YBI"). Occupants of the market rate housing that lived on TI before the DDA are known as "pre-DDA" or "Legacy Households". Occupants that moved to TI after the execution of the DDA through December 2019 are known as "Vested Residents" (and were formerly referred to as "Post DDA Households"). For more information about the history of Treasure and Yerba Buena Islands including the rights and opportunities of current residents, please see Exhibit A – Summary of Treasure Island Development Authority, Treasure Island Development Corporation, LLC, One Treasure Island, Development Agreement and Existing Treasure Island Households.

The DDA contains a Housing Plan that specifies the opportunities and obligations for the development and construction of affordable housing units that have been agreed upon by TIDA and the Principal Developer, TICD. The Housing Plan also includes the Transition Housing Rules and Regulations (the "Transition Regulations"; Attachment C of the Housing Plan), which defines the replacement unit obligations and other benefits that apply to market rate tenants living at The Villages at the time the DDA was executed. The Villages at Treasure Island ("The Villages") are 766 market rate attached flats and townhomes managed by John Stewart Company. All Legacy Households living in The Villages will be offered a transition benefit from TIDA. For transition benefit, please see Section 4.14.

TIDA is solely responsible for coordinating and providing transition benefits and services to all eligible households and residents per the Transition Regulations. TIDA will ensure that Transition Units, defined further down in this section, are provided as needed within TIDA affordable housing buildings in order to meet TIDA's replacement



housing obligations under the Housing Plan. The Transition Units are regulated by the Transition Regulations and not the San Francisco Rent Control Board. The Transition Regulations also governs The Villages and meets the Rent Boards exempt property definition of “dwelling units whose rents are controlled or regulated by another government unit, agency or authority”.

The Transition Regulations were modified as requested by Board of Supervisors Resolution No. 476-19 and as approved by the TIDA Board Resolution No. 19-28-1211 to provide an affordable housing preference for new Treasure Island affordable units to income qualifying market rate residents who moved into The Villages subsequent to June 30, 2011 and were still residents in good standing on December 11, 2019.

To summarize, TIDA recognizes three categories of household and individual eligibility for new Authority Housing Units, Transition Units, and Inclusionary Units broadly summarized below: (“Authority Housing Project” is defined in the DDA and includes affordable units that will be rented to low income households spanning a wide range of affordability and may include Transition Units.)

- 1) “**Legacy Household**” (formerly referred to as “Pre-DDA Household”) is a household that has continuously rented and occupied an apartment at The Villages prior to the DDA. Only Legacy Households can occupy a **Transition Unit**.
- 2) “**Legacy Resident**” is a resident living in a Legacy Household that has continuously rented and occupied an apartment at The Villages prior to the DDA.
- 3) “**Vested Resident**” (formerly referred to as “Post-DDA Household”) is a current resident who has rented and occupied an apartment at The Villages whose tenancy began after June 29, 2011 and before December 11, 2019.

All existing residents living at The Villages will eventually be obligated to move as existing housing is demolished over time.

The fourth group of households on TI are the “One TI Households” (“formerly referred to as Treasure Island Homeless Development Initiative households”) totaling 260 units, the “One TI Units”. These One TI Units are guided by the Amended and Restated Base Closure Homeless Assistance Agreement (“Base Closure Agreement”) dated June 28, 2011. The Base Closure Agreement outlines all TIDA obligations with respect to housing and services for current and formerly homeless individuals and families to be provided by One TI and also governs certain new housing, employment and economic development opportunities that are managed by One TI. Replacement unit obligations for One TI residents are guided by the Base Closure Agreement and detailed in Exhibit E - Treasure Island Homeless Development Initiative (“TIHDI”) Transition Housing Plan (“TIHDI Transition Housing Plan”).

Households and residents who reside in One TI Units are not eligible for benefits under the Transition Regulations.

One TI member organizations operate the 260 One TI Units located in The Villages on Treasure Island. (For a breakdown of the One-TI members and the number of existing One-TI units each TI member operates, see Attachment A). TI-C3.1 will replace all 71 of Catholic Charities' existing One-TI Units. These 71 Catholic Charities One-TI Units have a Continuum of Care ("CoC") operating subsidy contract that will be assigned to the TI-C3.1 owner.

The various populations occupying TI and specifically TI-C3.1, who will receive replacement units or apply for the lottery, makes developing the marketing plans, determining the occupancy preferences and affordability restrictions for all TI developments complex. The TI marketing plan to cover TIDA's obligations of marketing affordable housing rental and ownership units has been incorporated into a Memorandum of Understanding ("MOU") between MOHCD and TIDA. This MOHCD-TIDA MOU was executed on March 1, 2021. The MOU outlines the housing preferences to be applied at all TI developments. For this Project, the units designated for TI households are as follows:

- a) **One-TI Replacement Units:** There are 71 One-TI Replacement Units for existing Catholic Charities households. If there are vacancies in these units at the initial lease up, the Department of Homelessness and Supportive Services ("HSH") through the Coordinated Entry System ("CES") will refer potential residents for these units. HSH through CES will also complete any re-leasing.
- b) **Transition Units:** There are 23 Transition Units for Legacy Households that are not income restricted and therefore the units are not tax credit eligible. First occupants of these units will be Legacy Households until all Legacy Households Transition Unit benefits have been delivered. TIDA, using DAHLIA with assistance from MOHCD staff, will hold an internal (non-public) lottery to determine the unit offer order for these Transition Households. At lease up, if TIDA has gone through all Legacy Household rankings and the Transition Units remain vacant, Mercy will be able to use the waitlist that will be established through the initial DAHLIA lottery. (Legacy Households who are income eligible, may also apply to the MOHCD DAHLIA Lottery Units described in bullet c) below).

Also, any Legacy Households occupying these Transition Units at the Project will pay the same rent the household pays in their current existing TI unit. Rents in these Legacy Household replacement units can only be raised by the annual amount allowed under the Rent Board.

- c) **MOHCD DAHLIA Lottery (“Lottery”) Units:** There are up to 43 Lottery Units for which Legacy Residents and Vested Residents have preference before other DAHLIA preferences and the general public. Legacy and/or Vested Residents placed in these units must be income eligible and placed in the units through the Lottery. These Lottery Units are subject to the preferences in the chart below.

MOHCD Preference	Applicant Category
0.A	Legacy Residents
0.B	Vested Residents
1	Certificate of Preference (COP) Holders
2	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20% of units after previous preferences are applied.)
3	Neighborhood Preference (25% of units after previous preferences are applied.)*
4	Live or Work in San Francisco Preference
5	All Others

IMPORTANT NOTE: Due to this Project receiving state funding for AHSC, the Neighborhood Preference set aside is reduced to 25% of available units, instead of 40%.

- 4.12 Income Restrictions for All Sources. As stated in Section 4.11, One-TI Replacement Units have an existing CoC contract that will transfer to TI-C3.1. Also, households in the One-TI Replacement Units will be referred to the One-TI Replacement Units from HSH through CES. However, at initial lease up, Mercy and Catholic Charities, who is the grantee of the existing CoC contract, along with HSH will assist existing residents to move into their new One-TI Replacement Unit at the Project. Existing One-TI residents in units operated by Catholic Charities may move into the new One-TI Replacement Unit at the Project if the residents are in Good Standing. Good Standing means that a household is current with their rent and any/all of the other conditions of the household’s lease, as determined by the applicable housing provider.

The targeted TI populations in the One-TI Replacement, Transition, and Lottery Units described above in Section 4.11 have the affordability restrictions shown in the chart below. The City AMI equivalent affordability to TCAC AMI is provided in the chart below to show how the City AMI restrictions were determined.

NON-LOTTERY: One-TI Replacement Units	No. of Units	CITY AMI EQUIVALENT to TCAC/HCD AMI	City Restriction for Declaration	TCAC & HCD Restrictions	Most Restrictive
1 BR – CoC	0	38% City AMI	40% City AMI	30% TCAC AMI	TCAC
2 BR – CoC	51	41% City AMI	40% City AMI	30% TCAC AMI	City
3 BR – CoC	18	43% City AMI	40% City AMI	30% TCAC AMI	City
4 BR – CoC	2	44% City AMI	40% City AMI	30% TCAC AMI	City

<b>Sub-Total</b>	<b>71</b>				
<b><u>NON-LOTTERY:</u></b>					
<b><u>Transition Units</u></b>					
1 BR	0	128% City AMI	130% City AMI	100% TCAC AMI	TCAC
2 BR	4	137% City AMI	135% City AMI	100% TCAC AMI	City
3 BR	14	143% City AMI	140% City AMI	100% TCAC AMI	City
4-BR	5	147% City AMI	145% City AMI	100% TCAC AMI	City
<b>Sub-Total</b>	<b>23</b>				
<b><u>LOTTERY: MOHCD</u></b>					
<b><u>DAHLIA Lottery Units</u></b>					
1 BR	8	64% City AMI	60% CITY AMI	50% TCAC AMI	City
2 BR	2	69% City AMI	65% CITY AMI	50% TCAC AMI	City
3 BR	3	71% City AMI	70% CITY AMI	50% TCAC AMI	City
4-BR	3	73% City AMI	70% CITY AMI	50% TCAC AMI	City
<b>Sub-Total</b>	<b>16</b>				
1 BR	15	77% City AMI	75% CITY AMI	60% TCAC AMI	City
2 BR	3	82% City AMI	80% CITY AMI	60% TCAC AMI	City
3 BR	5	86% City AMI	85% CITY AMI	60% TCAC AMI	City
4-BR	4	88% City AMI	85% CITY AMI	60% TCAC AMI	City
<b>Sub-Total</b>	<b>27</b>				
<b><u>STAFF UNITS</u></b>					
2 BR	1				
<b>TOTAL</b>	<b>138</b>				
<b>PROJECT AVERAGE (ALL UNITS)</b>		<b>69.86%</b>	<b>68.32%</b>	<b>50.73%</b>	
<b>PROJECT AVERAGE EXCLUDING TRANSITION UNITS</b>		<b>45.06%</b>	<b>52.63%</b>	<b>39.91%</b>	
<b>PROJECT AVERAGE FOR LOTTERY UNITS ONLY</b>		<b>75.93%</b>	<b>73.49%</b>	<b>56.28%</b>	

Occupancy Standards for Units. Also, it should be noted that each secondary lender above has different minimum occupancy standards based on bedroom size that must be applied to all units at the time of initial leasing and releasing. Since the Transition Units are not eligible for HCD or TCAC funding, the Transition Units will follow the MOHCD Occupancy Standards. As of 2022, the minimum occupancy standards are as follows:

UNIT SIZE	<u>Minimum Occupancy Standard</u>		
	MOHCD	TCAC	HCD
1 BR	1	1.5	1
2 BR	2	2	2
3 BR	3	3	4
4 BR	4	4	6

4.13 MOHCD Restrictions. The chart and similar language below will be in Exhibit A of the Project's loan agreement and in the Declaration of Restrictions, to be recorded at construction close. Median Income used below is defined in the loan agreement as the City's median income.

Unit Size	No. of Units	Maximum Income Level	Rental Subsidy
1 BR	8	60% of Median Income	
1 BR	15	75% of Median Income	
<b>Total 1 BR</b>	<b>23</b>		
2 BR	51	40% of Median Income	CoC
2 BR [Transition Unit]	4	135% of Median Income	
2 BR	2	65% of Median Income	
2 BR	3	80% of Median Income	
2 BR	1	Unrestricted Manager's Unit	
<b>Total 2 BR</b>	<b>61</b>		
3 BR	18	40% of Median Income	CoC
3 BR [Transition Unit]	14	140% of Median Income	
3 BR	3	70% of Median Income	
3 BR	5	85% of Median Income	
<b>Total 3 BR</b>	<b>40</b>		
4 BR	2	40% of Median Income	CoC
4 BR [Transition Unit]	5	145% of Median Income	
4 BR	3	70% of Median Income	
4 BR	4	85% of Median Income	
<b>Total 4 BR</b>	<b>14</b>		

4.13.1 Proposed Declaration of Restrictions Language. Seventy-one (71) units must be made available to chronically homeless households or those at risk of homelessness during the period in which the CoC Program is in operation and the City provides such subsidy to the project under a Continuum of Care Contract.

Twenty-three (23) units must be made available to Legacy Households that have not exercised their Treasure Island transition benefits. First occupants of the Transition Units will be Legacy Households that live in existing units on Treasure Island. Subsequent occupants will continue to be Legacy Households until all Legacy Households have exercised their transition benefit. When all Legacy Households have exercised their transition benefit, the maximum income level restriction will be 135% of Median Income for a two-bedroom unit, 140% of Median Income for a three-bedroom unit and 145% of Median Income for a four-bedroom unit. The rent charged for these Transition Units can be no less than 20% below market as determined by a neighborhood level market study completed at minimum 90 days before posting unit availability.

If the CoC Program is terminated, discontinued or reduced at no fault of Borrower with respect to the Project, then the rent restrictions for the units with CoC operating subsidy above may be altered but only to the extent necessary for the Project to remain financially feasible, provided that:

(a) Borrower diligently pursues an additional or alternative source of income or subsidy acceptable to the City to replace the rental subsidies.

(b) One hundred percent (100%) of the Units formerly under CoC must at all times be occupied by Qualified Tenants whose Adjusted Income does not exceed sixty percent (60%) of Median Income and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of sixty percent (60%) of Median Income, (b) less utility allowance. The maximum initial occupancy income level restrictions when averaged for all Residential Units excluding the Transitions Units in the Project may not exceed sixty percent (60%) of Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

- 4.14 Relocation. There are no relocation benefits associated with this project. TIDA is providing transition benefits to Legacy Households and moving assistance to Catholic Charities' One TI households. TIDA, with assistance from TIDA's transition consultant, Associated Right of Way Services (ARWS), and Sponsor, will move Legacy Households that want to exercise their transition benefit to a Transition Unit in the Project. One-TI Residents will be assisted by Catholic Charities, Mercy, and HSH for their move to the new One TI Replacement Unit in the Project.

## 5 DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Paulett Taggart Architects (PTA)	Y	N
Landscape Architect	GLS Landscape Architecture	N	N
General Contractor	Nibbi Brothers	N	N
Owner's Rep/Construction Manager	Gonzalo Castro	Y	N
Financial Consultant	Community Economics Inc	N	N
Other Consultant (Geotechnical)	Rockridge Geotechnical	N	N
Legal	Gubb and Barshay	Y	N
Property Manager	Mercy Housing Management Group Name	N	N
Services Provider	Mercy Housing California and Catholic Charities Name	N	N (Describe below)

- 5.1 Procurement Plan. The Developer has established SBE goals . Sponsor has met with Contracts Management Division (“CMD”) and established 20% SBE goals for both professional services and construction hiring.

The general contractor, Nibbi Brothers (“Nibbi”), will make a good faith effort to surpass the 20% SBE goal and contract 41% of the total dollar value of the Vertical Development Work through subcontractors that are qualified Small Business Enterprises (SBEs) located in San Francisco or elsewhere, provided that First Consideration shall be given to SBEs located in San Francisco. Further, Nibbi will make Good Faith Efforts to ensure that at least 50% of the person-hours (on a cumulative basis, not by individual task or trade) performed pursuant to the general contractor contract be performed by San Francisco residents, of which at least half (i.e., 25%) of the new hire all cumulative person-hours) shall be performed by economically disadvantaged individuals. Mercy will work closely with Nibbi to make sure the CMD requirements are met and that additional goals are performed in a targeted manner. Mercy will also ensure that Nibbi works with One TI’s local jobs program and to outreach to the community.

- 5.2 Opportunities for BIPOC-Led Organizations. To increase its contracting with BIPOC firms, Mercy takes part in the NPH’s Diversity, Equity, Inclusion Working Group and created a list of firms to reach out to for opportunities related to construction and consultants. The project will work with the general contractor to select BIPOC-led subs when possible and economically feasible.

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: Sponsor and MOHCD executed a predevelopment loan dated June 13, 2019 for \$2,000,000 and all funds were expended by December 16, 2020. On June 18, 2021, MOHCD and Sponsor executed a first amendment to the predevelopment loan. As of February 2, 2022, the Sponsor has expended \$3,311,967.85 on the predevelopment loan.

Loan Type/ Program	Loan Date	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance	Accrued Interest to Date
[Predevelopment] AHF Inclusionary	6/13/2019	\$1,000,000.00	3%	4/1/2024	Residual Receipts	\$1,000,000.00	
[Predevelopment] CMPC	6/13/2019	\$1,000,000.00	3%	4/1/2024	Residual Receipts	\$1,000,000.00	
[Predevelopment] AHF Inclusionary	6/18/2021	\$2,500,000.00	3%	4/1/2024	Residual Receipts	\$2,500,000.00	
<b>Total:</b>	<b>6/18/2021</b>	<b>\$4,500,000.00</b>	<b>3%</b>	<b>4/1/2024</b>	<b>Residual Receipts</b>	<b>\$4,500,000.00</b>	

6.2 Disbursement Status. Funds for this loan may be accrued on the date of the Loan Committee and disbursed on the date the Mayor executes the loan, if approved by the Board.

6.3 Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was last at Loan Committee and the conditions immediately below were to be completed prior to gap loan request:

- If awarded California Debt Limit Allocation Committee (“CDLAC”) financing, the Sponsor must reduce all hard cost contingencies and pricing escalations. Sponsor’s and general contractor’s contingencies and/or price escalations must be aligned with the MOHCD policy. All savings from contingencies and price escalations must be used to reduce the MOHCD loan. **Status: Completed.** The hard cost number in this loan request is from the general contractor bid received on February 18, 2022 and has been vetted by MOHCD Construction Representative Manager.
- Sponsor must provide evidence of AHSC extension in process or has been granted. **Status: Completed.** AHSC extension was received and provided to MOHCD in summer 2021.
- Sponsor must provide evidence that a lender has accepted underwriting the CoC with a LOSP MOU. **Status: Completed.** Sponsor has executed a Letter of Intent (“LOI”) with Citibank and in the LOI Citibank agrees to underwrite the CoC.



- Sponsor must provide an updated draft and near final services plan and budget. Services Plan must be reviewed and approved by HSH. **Status: In progress.** Staff accepted the service plan submitted with the 2021 Round 2 CDLAC bond application as the draft services plan and a draft budget was submitted with the preliminary gap loan application. A new condition related to the services plan and budget is in Section 9.2.
- Sponsor must submit Request for Proposals for equity investors to MOHCD for review/approval before it is finalized and released to investors. **Status: N/A.** This is an Accelerator fund project. Accelerator funds are replacing equity and therefore, RFP for equity investor is not applicable.
- Sponsor must submit recommended investors to MOHCD for review/approval prior to signing letter of intent. **Status: N/A.** This is an Accelerator fund project. Accelerator funds are replacing equity and therefore, RFP for equity investor is not applicable.
- Sponsor must submit raw financial data from developer or financial consultant, as well as any letters of intent, for MOHCD review/approval prior to selection of permanent mortgage lender **Status: N/A.** Because the permanent lender must underwrite the CoC, which is not standard, Mercy has looked for a potential lender for over two years. In the early planning stages of the project, the San Francisco Housing Accelerator Funds ("SF HAF") had planned to underwrite the CoC upon execution of a MOU with MOHCD. SF HAF reached out to several banks to partner for the loan. Citibank agreed to underwrite the CoC, as long as Citibank received the same terms in the MOU as SF HAF, and SF HAF was no longer needed as an intermediary lender.

Below are conditions prior to disbursement of second payment of Developer Fee during construction.

- Sponsor must apply to FHLB for AHP loan in maximum amount for which competitiveness can be achieved (estimated to be \$1,500,000 at this time.) **Status: In progress.** Sponsor applied for AHP financing in March 2021, and was unsuccessful. The Sponsor will apply once construction has started in order to gain additional competitive scoring points.

Below are conditions post gap loan closing.

- Sponsor must submit marketing plan 12 month prior to anticipated temporary certificate of occupancy date. **Status: N/A.** Sponsor timeline of this submission is provided in Attachment B.

6.4 Proposed Predevelopment Financing. N/A.

6.5 Proposed Permanent Financing

6.5.1 Permanent Sources Evaluation Narrative: The Borrower proposes to use the following sources to permanently finance the project:

- 1) **City Loan (\$33,452,317)**. The City loan amount includes the predevelopment loan of \$4,500,000. The City loan amount of \$32,594,529 was shown on the CDLAC bond application, and HCD expects the City to provide the same loan amount for the upcoming Accelerator loan closing. With this request, the City loan is approximately \$858K more than the amount in the CDLAC application due to increased hard construction cost. The City loan also includes two bridge loans: (1) an AHP bridge loan of up to \$1,250,000, and (2) a TIDA Infrastructure & Revitalization Financing District (“IRFD”) loan of up to \$5.0M.

AHP: The Sponsor applied for AHP in March 2021 through the San Francisco Federal Home Loan Bank (“FHLB”) and was not successful. The Sponsor will apply in May 2022 for AHP from the New York FHLB. Citibank will sponsor the AHP and their relationship is with the New York FHLB. If not awarded AHP, the Sponsor will continue to apply for AHP from a FHLB until the temporary certificate of occupancy is received. Once the Sponsor is awarded AHP, the MOHCD loan will be repaid. If the Sponsor is not awarded an AHP, the City’s AHP bridge loan will remain in the Project.

TIDA IRFD: TIDA will contribute up to \$5,000,000 in IRFD funds to the Project. The IRFD funds are monies from the IRFD No. 1 (Treasure Island) bonds, of which a portion of the bond proceeds are dedicated to the production of affordable housing on TI. TIDA has planned that the Board of Supervisors (“Board”) will discuss the IRFD in March 2022, but the funds, if approved by the Board may not be available until after the Project’s financing closing. If received after the escrow closing, the City loan will be amended to reduce one of the MOHCD sources in the loan and replace with TIDA IRFD. However, the total City loan will not change.

- 2) **Citibank Permanent Loan (\$14,467,000)**. MOHCD reviewed and commented on Citibank’s Preliminary Application for Financing dated February 4, 2022 that included the term sheet for the construction and permanent loans. The document was fully executed after MOHCD reviewed and provided

comments. The permanent loan is not to exceed \$19,300,000 and has a term of 20 years with a 20 year amortization. The all in rate of the loan is 5.10%. At 90% occupancy, Citibank will review property's net operating income to determine the maximum perm loan amount.

Determining the maximum permanent loan amount may increase size of the loan since the 60% TCAC AMI/City equivalent AMI units are conservatively underwritten at 55% City AMI rents. Mercy's experience during the Covid-19 pandemic has been that 60% TCAC AMI/City equivalent AMI rents are essentially market. While staff agreed to underwriting the 60% TCAC AMI/City equivalent AMI rents at 55% AMI rents, staff is requiring that prior to submission of the marketing plan, Mercy must complete a new market study to establish the rents on the 27 units restricted at 60% TCAC AMI/City equivalent AMI. If the market study results in higher rent collected on the 60% TCAC AMI/City equivalent AMI and the permanent loan increases, MOHCD's loan will be reduced by the equivalent raised amount on the permanent loan, if allowed by HCD. At minimum project savings will be split with HCD.

The Citibank loan is also underwriting CoC rental subsidy and the excess cash flow generated by the rents. At the additional predevelopment loan agreement in January 2021, the plan was to have the San Francisco Housing Accelerator Fund ("SFHAF") underwrite the CoC rental subsidy, as a secondary permanent loan in partnership with a commercial lender, and SFHAF would require an MOU between SFHAF and MOHCD to replace the CoC with LOSP if CoC is removed from the Project by HUD. SFHAF brought in Citibank as the primary lender. Citibank agreed to underwrite the CoC rental subsidy as long as it received the same MOU requirements that were between SFHAF and MOHCD. The MOU regarding CoC rental subsidy is being reviewed by the City attorney and will be required to close. Also, MOHCD has an email confirmation from HSH that to building this Project and provide new affordable units to the formerly homeless and homeless population in this Project, it will allow CoC rental subsidy and LOSP to be underwritten for debt.

- 3) **4% Tax Credit Equity (\$0):** N/A. Tax credit equity has been replaced with Accelerator funds.

- 4) **HCD AHSC Loan (\$13,753,000).** On July 8, 2019, the Project was awarded \$20,000,000 in Affordable Housing Sustainable Communities funding ("AHSC") based on the application submitted on February 11<sup>th</sup>, 2019. \$13,735,000 of the funds are for affordable housing and the remaining \$6,265,000 grant will be allocated to the Sustainable Transportation, Infrastructure and Active Transportation which will fund the purchase of up to five buses for AC Transit to operate service between Downtown Oakland and Treasure Island. Service will operate via Grand Avenue with stops at Oakland City Center and Uptown Transit Center, and along West Grand Avenue, as needed. Bus service would run from 6am to 10pm every half hour. Sponsor received an extension on the award related to the start of construction due to pandemic delays. The Project will close in advance of the HCD extension by closing in May 2022.
- 5) **HCD Accelerator Loan (\$55,601,514).** Sponsor was awarded funds on February 2, 2022 as a Tier 1 development. While Sponsor has until August 2, 2022 to close, in order to hold the general contractor pricing, they must issue the Notice To Proceed by May 2022.
- 6) **GP Equity (\$0).** The amount does not meet the \$500K GP Equity under MOHCD's Developer Fee policy. With tax credit equity replaced by Accelerator funds, all equity has been replaced by Accelerator funds. Also, without a tax credit investor, minimum GP Equity is not necessary or required.
- 7) **Deferred Developer Fee (\$0).** With tax credit equity replaced by Accelerator funds, HCD has limited developer fee to \$2.2M and does not allow deferred fee.
- 8) **Citibank Construction Loan (\$81,427,662):** While not a permanent source, the construction loan terms limit the loan to \$94,000,000. The term is 36 months and there are two 6-months extensions. The extensions fee is 0.05% added to the permanent loan for each 6-months past initial 36-month period in which permanent conversion occurs. The current indicative rate is 2.75% with an interest rate cushion on 0.75%. MOHCD reviewed and commented on Citibank's Preliminary Application for Financing dated February 4, 2022 that included the term sheet for the construction and permanent loans. The document was fully executed after MOHCD reviewed and provided comments.

6.5.2 CDLAC Tax-Exempt Bond Application: N/A. Project is no longer receiving tax-exempt bonds. Tax exempt construction loan is now a commercial price construction loan and Accelerator funds are paying off commercial construction loan.

6.5.3 HOME Funds Narrative: N/A – there are no HOME fund in TI-C3.1.

6.5.4 Commercial Space Sources and Uses Narrative: N/A – there are no commercial spaces in TI-C3.1.

6.5.4 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$849,810/unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5.0%
Architecture and Engineering Fees are within standards	Y	Total architecture with add services is \$3,865,863
Construction Management Fees are within standards	Y	Cost are within reason.
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: N/A Total fee:\$2,200,000
Consultant and legal fees are reasonable	Y	Cost are within reason.
Entitlement fees are accurately estimated	Y	Cost are within reason.
Construction Loan interest is appropriately sized	Y	Cost are within reason.
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 4.9%. Staff will allow since closing will occur in May 2022 and some soft costs have been spent during predevelopment.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 4 months and is consistent with HCD's Uniform Multifamily Regulations ("UMR's")

Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	N/A	N/A
Other standard: Transition Reserve for HCD	N/A	Not required for HCD's AHSC.
Other standard: Furnishings	Y	Costs are within reason.

6.5.5 Developer Fee Evaluation: The Sponsor is requesting the maximum development fee allowed under the Accelerator. The milestones for the payment of the developer fee are:

Total Developer Fee:	\$2,200,000	
Project Management Fee Paid to Date:	\$ 450,000	
Amount of Remaining Project Management Fee:	\$ 650,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$ 0	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$ 0	See Section 6.5.1.6
<b>Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management</b>	<b>Amount Paid at remaining Project Management Fee Milestones</b>	<b>Percentage of Project Management Fee</b>
Project Management Fee Paid to Date	\$ 450,000	41%
Receipt of Accelerator fund agreement and approval for Loan Committee	\$ 100,000	9%
Construction close	\$ 220,000	20%
Upon completion of 75% construction completion	\$ 110,000	10%
Upon evidence of FHLB AHP application submission and receipt of TCO.	\$ 110,000	10%
Project close-out	\$ 110,000	10%
<b>Total Cash-Out Project Management Fee</b>	<b>\$1,100,000</b>	<b>100%</b>
<b>Milestones for Disbursement of that portion of Developer Fee defined as At-Risk Fee</b>	<b>Amount Paid at At-Risk Milestones</b>	<b>Percentage of At-Risk Fee</b>
100% lease up and draft cost certification	\$ 220,000	20%
Permanent conversion	\$ 550,000	50%
Project close-out	\$ 330,000	30%
<b>Total At-Risk Fee</b>	<b>\$1,100,000</b>	<b>100%</b>

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

- 7.1 **Annual Operating Budget.** The proposed operating budget is generally in compliance with MOHCD policies. The rents for the One-TI Replacement Units, Transition Units, and Lottery Units will support building operations, in addition to small amounts of revenue from building laundry.

The proposed Project will receive CoC rental subsidies on 71 One-TI Replacement Units (\$21,741/unit in Year 1).

Tenant rents for 23 Transition Units in the MOHCD 1<sup>st</sup> year operating budget and 20-year cash flow is the rent on the re-lease of unit. Estimated Transition Unit rents represent the median rent of the existing Legacy Households. (See Section 4.11 for definition of Legacy Households.) While affordability restrictions on the Transition Units are over 100% City AMI, the Transition Unit rents are underwritten as follows:

		NET RENT CHARGED TO TRANSITION UNITS		NET RENT CHARGED EQUIVALENT CITY AMI	
Unit Size	City AMI Restriction on Transition Unit Only*	CDLAC Application (5/2021)	Underwritten Rents in this Request	CDLAC Application (5/2021)	City AMI equivalent for underwritten rents
2 BR	137%	\$1,963	<b>\$2,097</b>	65%	<b>70%</b>
3 BR	142%	\$2,196	<b>\$2,233</b>	66%	<b>67%</b>
4 BR	147%	\$2,416	<b>\$2,699</b>	67%	<b>75%</b>

\* City AMI restrictions will only be applied after all Legacy Households on Treasure Island have received their transition benefit.

Loan Committee provided a preliminary loan commitment for the 2021 Round 2 bond application based on the lowest rents of Legacy and Vested Households, prior to an analysis of the Legacy and Vested Households rents was completed by TIDA and Mercy. Since then, an analysis has been done. Staff recommends using the median rent since some household rents will be above and below the amount in the chart above. Also, Mercy, TIDA, and staff hope that income qualifying Legacy and Vested households will enter the lottery for an income qualifying DAHLIA lottery unit.

Also, please note that the 23 Transition Units will be occupied by Legacy Households that have not exercised their transition benefit; the initial occupant rent and subsequent Legacy Household rents will have an annual rent increase based on the San Francisco Rent Board. For this loan request, the annual rental increase is at 1%. Tenant rents for all units are shown below.

Unit Type	City AMI	Number of Units	Max. Rent includes utility allowance	Max Tenant Paid Rent excluding utility allowances	Subsidy
1BR	60%	8	\$1,731	\$1,611	
1BR	75%	15	\$2,055	\$1,611	

<b>Subtotal 1-BR</b>		<b>23</b>			
2BR	65%	2	\$2,056	\$1,912	
2BR	80%	3	\$2,467	\$1,912	
2BR [Transition Unit]	135%	4	\$4,112	\$2,097	
2BR	40%	51	\$2,681 (contract rents)	\$1,089 (Tenant Payment excluding Utilities)	CoC - \$1,592
<b>Subtotal 2-BR</b>		<b>60</b>			
3BR	70%	3	\$2,375	\$2,189	
3BR	85%	5	\$2,850	\$2,189	
3BR [Transition Unit]	140%	14	\$4,750	\$2,233	
3BR	40%	18	\$3,600 (contract rents)	\$1,239 (Tenant Payment excluding Utilities)	CoC - \$2,391
<b>Subtotal 3-BR</b>		<b>40</b>			
4BR	70%	3	\$2,650	\$2,418	
4BR	85%	4	\$3,180	\$2,418	
4BR [Transition Unit]	145%	5	\$5,300	\$2,699	
4BR	40%	2	\$3,834 (contract rents)	\$1,358 (Tenant Payment excluding Utilities)	CoC - \$2,476
<b>Subtotal 4-BR</b>		<b>14</b>			
MGR – 2BR	Unrestricted	1			
<b>TOTAL UNITS</b>		<b>138</b>			

## 7.2 Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio ("DSCR") is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N	DSCR is 1.10 at Year 1 and 1.23 at Year 17. The first year DSCR has to start above the MOHCD guideline because the DSCR trends down quickly in order to maintain a 1.15 DSCR throughout the term of the permanent loan as required by the permanent lender. Because of the large downward trend and lender DSCR requirement, staff request a waiver from this guideline and recommends approval.
<i>For TCAC projects:</i> Vacancy rate meets TCAC Standards  <i>For non-TCAC existing projects:</i> Vacancy rate is based on project's historical actuals	Y	Vacancy is 5% on all unit types.
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5% on the 43 Lottery Units and 1% on the 71 One- TI Replacement Units supported by CoC. As required by MOHCD, on 23



		Transition Units the rents trend at 1%, as allowed by the Rent Board.
<p><i>For TCAC projects:</i> Annual Operating Expenses are increased at 3.5% per year</p> <p><i>For non-TCAC existing projects:</i> Annual Operating Expense escalation is based on project's historical actuals</p>	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	N	<p>Total Operating Expenses are \$12,688 per unit per year</p> <p>Operating Expenses are slightly higher than comparable MOHCD developments because of taxes paid on the Transition Units because it is assumed households are above 100% City AMI. Also, the project will pay \$450 per unit per year in Master Association Fee, which is a fee charged to all TI developments to cover asphalt and paving protection and maintenance. The Master Association Fee includes cost to provide storm water maintenance, landscaping and maintenance for the midblock and sidewalk planted areas, pest control, sweeping sidewalks and mid-block easements.</p>
Property Management Fee is at allowable <a href="#">HUD Maximum</a>	Y/	Total Property Management Fee is \$113,400 or \$68.48 PUPM based on the HUD schedule.
Property Management staffing level is reasonable per comparables	Y	See below staffing chart in Section 7.3 - Staffing Summary, which includes total of 8.5 FTE property management staff (management, maintenance, and janitorial) and 1.0 FTE resident services coordinator
Asset Management and Partnership Management Fees meet standards	AM Fee: Y PM Fee: N/A	Annual AM Fee is \$24,280/yr. Annual PM Fee is not allowed on MOHCD projects with Accelerator funds.
<p><i>For TCAC projects:</i> Replacement Reserve Deposits meet or exceed TCAC minimum standards</p> <p><i>For non-TCAC existing projects:</i> Replacement Reserve Deposits meet project needs based on CNA</p>	Y	<p>Replacement Reserves are \$500 per unit per year ("PUPY") exceeds TCAC minimum.</p> <p>\$500 PUPY is consistent with HCD's UMR's. Also, Citibank requires a minimum replacement reserve of \$300 PUPY.</p>
Limited Partnership Asset Management Fee ("LPAMF") meets standards	N/A	As a Project receiving Accelerator financing, there are no tax credit investors on the project and the LP

		Asset Management Fee is not allowed on MOHCD projects with Accelerator funds.
Operating Subsidy: CoC	Y	This development will have 71 units set-aside for formerly homeless families.
Other Fee: Miscellaneous Admin Fee – One TI Fee	Yes, for TI affordable developments with One TI members.	Sponsor has agreed to pay One TI an annual housing services fee of \$3,000 as described in Attachment A of the January 29, 2021 Evaluation. In the January 29, 2021 Evaluation the fee was paid after debt and reserves from remaining cash flow. In this request, the One TI Fee is paid with reserves <u>before</u> cash flow. annual operating expense. For more discussion of One-TI Fee, please see Attachment A.
Other Fee: TI Master Association Fee	Yes, for all developments on TI, except Maceo May	\$450 PUPY Please note that the Master Association Fee is not paid on the first TI affordable housing development, Maceo May, because TICD had not determined the per unit cost. Since Maceo May has closed its financing, Master Association Fee cannot be added. However, all of TI affordable housing development will pay a Masters Association Fee.
Supportive Housing	N	See discussion below chart.

7.3 Staffing Summary. The staffing plan is also subject to further review by HSH; see Loan Condition at Section 9.3.2. Proposed project staffing is as follows:

Title	FTE allocated to Project
<b>Office Salaries</b>	
<i>Assistant Property Manager</i>	2.0
<i>Desk Clerk/Community Coordinator</i>	1.0
<i>Housing Support Specialist</i>	0.5
<i>Regional Management Specialist</i> [MOHCD Staff note: This operating staff position is onsite minimally and not calculated as onsite staff hour. However, operating budget has position at \$25 PUPY.]	0.0
<b>Subtotal</b>	<b>3.5</b>
<b>Management Salary</b>	
<i>Senior Property Manager</i>	1.0

<b>Subtotal</b>	<b>1.0</b>
<b>Maintenance/Payroll</b>	
<i>Maintenance Manager</i>	1.0
<i>Maintenance Technician</i>	1.0
<i>Janitor</i>	1.0
<i>Regional Maintenance Specialist</i> [MOHCD Staff note: This operating staff position is onsite minimally and not calculated as onsite staff hour. However, operating budget has position at \$36 PUPY.]	0.0
<b>Subtotal</b>	<b>3.0</b>
<b>Supportive Services</b>	
<i>Resident Services Coordinator</i>	1.0
<b>Subtotal</b>	<b>1.0</b>
<b>Total FTEs and Expenses</b>	<b>8.5</b>

#### 7.4 Capital Needs Assessment & Replacement Reserve Analysis. N/A

### 8 SUPPORT SERVICES

8.1 Services Plan & Budget. On May 21, 2021, Loan Committee approved a supportive services amount of \$100,000 for all units. This costs for services was confirmed and approved by the MOHCD Director of Residential and Community Services. While only 16 units are at City equivalent AMI/50% TCAC AMI based on bedroom size, the MOHCD Director of Residential and Community Services stated that residents that live in this Project cannot be excluded from services due to a standard like income, and real estate development staff should consider 66 households available for services. Also, TI is an isolated community, which adds to challenges and barriers for meeting needs of all residents regardless of income. As a comparison, in MOHCD RAD buildings MOHCD approved service coordinator full time equivalent ("FTE") salary for 60 units at \$81,000 including fringe. Staff has accepted and assumes the budget for services that will be paid through the building's operation expenses and paid to Mercy is as follows:

\$ 85,900 for FTE to service 66 units  
 \$ 13,900 for supplies  
\$ 300 for travel/mileage and pay tolls  
 \$100,100 Grand total for services

Mercy's draft services plan submitted in the 2021 Round 2 CDLAC bond application, had 1.67 FTE for a Catholic Charities case manager and 0.46 FTE for a service coordinator/other service specialist for the 71

units supported with CoC. These positions are currently not funded through the property's operating budget. HSH's existing agreement with Catholic Charities for Treasure Island allows coverage for 65 households with CoC rental assistance. HSH reports it can support a change to 71 units and this means the case management and service coordinator/other service specialist will be included in a separate agreement with HSH outside of the Project's operating budget.

MOHCD has accepted Mercy's services plan and budget submitted in the 2021 Round 2 CDLAC bond application, as the first draft. MOHCD and HSH require a second comprehensive budget and services plan that incorporates the CoC supported units and non-CoC supported units submitted to MOHCD and HSH 18 months before the temporary certificate of occupancy is received and/or planned for the Project. The final comprehensive budget and services plan is to be submitted 6 months before the temporary certificate of occupancy is received and/or planned for the Project. The overall services plan must include a narrative about Mercy and Catholic Charities services approach to the CoC supported units, Lottery units, and Transition Units. The Services Plan must delineate programming and positions covering the three type of units at the Property. The services budget must show all services positions and have a source and use services budget showing sources and expenses covered by HSH and/or the Property.

- 8.2 HSH Assessment of Service Plan and Budget. MOHCD staff accepted the service plan submitted with the 2021 Round 2 CDLAC bond application as the draft services plan and a draft budget was submitted with the preliminary gap loan application. Within 12 months of anticipated TCO and simultaneously with the marketing plan, Sponsor must submit near final services plan and budget to MOHCD and HSH for review and approval.

## 9 STAFF RECOMMENDATIONS

### 9.1 Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$32,412,810
Loan Term:	55 years
Loan Maturity Date:	2077
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	May 18, 2021

Financial Description of Proposed AHP Bridge Loan
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Loan Amount:	\$1,250,000
Loan Term:	3 years with possible extension to 55 years if not awarded AHP
Loan Maturity Date:	2024
Loan Repayment Type:	Due in full on maturity date
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	March 18, 2022

Financial Description of Proposed AHP Bridge Loan	
Loan Amount:	Up to \$5,000,000
Loan Term:	2 years with possible extension to 55 years
Loan Maturity Date:	2024
Loan Repayment Type:	Due in full on maturity date
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	March 1, 2022 to cover cost that may be completed prior to this loan approval.

## 9.2 Loan Conditions Required for Construction Loan Closing

1. Borrower must submit fully executed MOU between Mercy and Catholic Charities outlining capital payment of \$220,000 and services related to One TI relocation and during property operations.
2. Borrower must submit fully executed Property Management Agreement between Borrower and selected management company.
3. Borrower must submit a draft communication plan.

## 9.3 Recommended Loan Conditions

1. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update, including on:
  1. Community outreach completed, and
  2. Outcomes achieved related to racial equity goals, and
2. Sponsor must submit to MOHCD and HSH 18 months before the temporary certificate of occupancy is received and/or planned for the Project a second comprehensive budget and services plan that incorporates the CoC supported units and non-CoC supported units. Six months before the temporary certificate of occupancy is received and/or planned for the Project, Sponsor must submit the

final comprehensive budget and services plan to MOHCD and HSH. The overall services plan must include a narrative about Mercy's and Catholic Charities' services approach to the CoC supported units, Lottery units, and Transition Units. The Services Plan must delineate programming and positions covering the three types of units at the Property. The services budget must show all services positions and have a source and use services budget showing sources and expenses covered by HSH and/or the Property.

3. Sponsor must submit near final services plan and budget to MOHCD and HSH for review and approval within 12 months of anticipated TCO and simultaneously with the marketing plan.
4. Prior to submission of the Marketing Plan that includes a TI Resident Selection Criteria, Mercy must submit a new marketing plan to verify that the City AMI restricted/60% TCAC AMI rents are below market and the rents may be set at 60% City AMI. Affordability restrictions at the time of this loan request are restricted to City AMI restricted/60% TCAC AMI while the rent is set at 55% City AMI rent. If higher rents are accepted, Mercy and Citibank are required to increase the permanent loan. City loan will be reduced by the equivalent amount raised on the permanent loan.
5. Prior to submission of the Marketing Plan, Sponsor must spread the mobility and hearing impaired unit proportionally through the Transition, DAHLIA Lottery, and One TI Units and state designation in the Marketing Plan.
6. 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 Legacy Households, Legacy Residents, Vested Residents, 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. Significant coordination with TIDA will be required in advance of the final Marketing Plan.
7. Sponsor must apply to FHLB for AHP loan in maximum amount for which competitiveness can be achieved (estimated to be \$1,250,000 at this time.) If not awarded, Sponsor will continue to apply for FHLB until temporary certificate of occupancy is received.
8. Post conversion, when all Legacy Households have exercised their transition benefit, and the Sponsor are planning to rent the unrestricted Transition Units, Sponsors must conduct a

neighborhood level market study to establish the rent in the Transition units and to ensure that the rent is not lower than 20% below market.

## 10 LOAN COMMITTEE MODIFICATIONS

## LOAN COMMITTEE RECOMMENDATION

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

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

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

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

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

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

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

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

\_\_\_\_\_  
James Morales, Interim Executive Director  
Office of Community Investment and Infrastructure

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

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

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

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

Attachments: A. Summary of Treasure Island, TICD, One-TI, and Development Agreement  
B. Project Milestones/Schedule  
C. Borrower Org Chart  
D. Developer Resumes  
E. Asset Management Analysis of Sponsor  
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  
J. Development Budget  
K. 1<sup>st</sup> Year Operating Budget  
L. 20-year Operating Pro Forma



## **Chavez, Rosanna (MYR)**

---

**From:** Shaw, Eric (MYR)  
**Sent:** Friday, March 18, 2022 11:48 AM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** Treasure Island Parcel C3.1 Request for Final Gap Financing

I approve

Eric D. Shaw  
Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development  
City and County of San Francisco  
1 South Van Ness Avenue, 5th Floor

## Chavez, Rosanna (MYR)

---

**From:** Menjivar, Salvador (HOM)  
**Sent:** Friday, March 18, 2022 4:59 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** TREASURE ISLAND PARCEL C3.1

I approve Mercy Housing California requests for a total gap loan in the amount of up to \$33,452,317 for Treasure Island Parcel C3.1.

Best,

salvador



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

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## Chavez, Rosanna (MYR)

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**From:** Colomello, Elizabeth (CII)  
**Sent:** Friday, March 18, 2022 11:42 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Treasure Island Parcel C3.1 Request for Final Gap Financing

Hi Rosie-

I approve the subject request on behalf of OCII.

Thanks!

Elizabeth



**Elizabeth Colomello**  
**Housing Program Manager**

---

📍 One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103  
📞 415.701-5518, Cell 415.407-1908  
🏠 [www.sfocii.org](http://www.sfocii.org)

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**Chavez, Rosanna (MYR)**

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**From:** Pereira Tully, Marisa (CON)  
**Sent:** Friday, March 18, 2022 11:41 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Final gap financing for Treasure Island C3.1

Approve

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

**Attachment A:**  
**Summary of Treasure Island Development Authority,**  
**Treasure Island Development Corporation, LLC, One Treasure Island,**  
**Development Agreement and Existing Treasure Island Households**

The purpose of this Attachment A is to summarize and contextualize the history of Treasure Island and Yerba Buena Island and its key stakeholders, specifically to contextualize certain underwriting assumptions in the MOHCD loan evaluation. This attachment is comprised of the following sections: Background, Vision/Equity, Public Private Partnership, Horizontal Development, Community Planning and Amenities, Authorizing Agreements, and Existing Treasure Island Households.

**I. BACKGROUND**

Treasure Island ("TI") was constructed as one of the most visible of President Franklin D. Roosevelt's Works Progress Administration projects and was host to the Golden Gate International Exposition in 1939 and 1940. Treasure Island was activated as a United States Naval Base in 1940 and played a substantial role in both World War Two and the Korean War. TI was used as a center for receiving, training and dispatching personnel. After the war, the Island was used as a training and administrative center.

In 1993 the Federal Government placed the Naval Station Treasure Island ("NSTI") on its Base Realignment and Closure list, and the United States Department of Defense subsequently designated the City and County of San Francisco (the City) as the Local Reuse Authority ("LRA") responsible for the conversion of the Base to civilian use under the federal disposition process per the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (the "Act"). In 1994, the City began to conduct hearings and community meetings which informed the redevelopment plan that would eventually result in a new San Francisco neighborhood incorporating residents of all socio-economic backgrounds. NSTI was formally decommissioned in 1997.

In 1997, the City formed the Treasure Island Development Authority ("TIDA") as a redevelopment agency under California law, and designated it as the new Local Reuse Authority.

After formation in 1997, TIDA initiated formal negotiations with the Navy. The Navy contracted with the City (and subsequently TIDA) to manage the property pending negotiations for its transfer and redevelopment. As part of managing TI on behalf of the Navy, TIDA began subleasing at market rates a portion of the former military housing now known as The Villages at Treasure Island ("The Villages") through a master lease with The John Stewart Company, and directly leasing space to a variety of commercial tenants.

In 2003, TIDA selected Treasure Island Community Development LLC (“TICD”) for exclusive negotiations for the master redevelopment of TI.

The Board of Supervisors approved the development plan in 2006 (and amended its approval in 2010), which was conditioned on completion of environmental review under the California Environmental Quality Act (“CEQA”).

The Development Agreement (“DA”), dated June 28, 2011, vests the master plan’s entitlements for thirty years and any vertical project is then approved by the Planning department under a process outlined in the DA. The DA, unanimously approved by the Board of Supervisors, forms the basis for the Disposition and Development Agreement (“DDA”) between TIDA and TICD, and governs respective rights and obligations for the redevelopment of portions of TI and Yerba Buena Island (YBI) and calls for the development of up to 8,000 residential units in a series of Major Phases and Sub-Phases.

As of the signing of the DDA between TIDA and TICD there were approximately 600 existing former Navy housing units occupied by households living in both affordable units for formerly homeless households and market rate units. These households have certain rights and benefits and are described in detail below.

A CEQA lawsuit was filed against the project but was unsuccessful. It did serve to delay the project.

Portions of Treasure and Yerba Buena Islands were formally transferred from the Navy to TIDA in May 2015. Land for the first two sub phases of the redevelopment plan was transferred to TICD in February 2016.

Initial market rate home construction began on YBI in June 2019 and is scheduled for completion in Q2 2022. The first vertical construction on Treasure Island began in 2020 with Maceo May Apartments, an affordable housing development for homeless and low-income veterans by Swords to Plowshares in partnership with Chinatown CDC and is scheduled for completion in Q4 2022.

In 2019, TICD submitted its application and approvals to complete horizontal work for the second sub-phase. The Street Improvement Permit is expected later this year.

On March 1, 2021 MOHCD and TIDA executed an MOU defining roles and responsibilities for development, marketing, and compliance monitoring all affordable, inclusionary and Transition Units.

By 2025 it is projected that 1,171 units in 11 projects will be completed. This includes 243 affordable units in affordable housing developments ground leased by TIDA and 928 market rate units (including 64 inclusionary units) on Treasure Island and Yerba Buena Islands.

## **II. VISION/EQUITY**

The overall development plan calls for approximately 8,000 homes (with 2,173 homes/27.2% affordable), 300 hotel rooms, 550,000 square feet of retail and commercial space, and 290 acres of public open space representing 75% of the geographic area.

Treasure Island will be a model for sustainability and is the largest and highest scoring project to target Platinum rating under the LEED Neighborhood Development program.

The Transportation Plan for Treasure Island promotes pedestrian and bicycle mobility, provides strong public transit options and de-emphasizes vehicle use. New privately subsidized ferry service is commencing Q1 2022 and is expected to be privately subsidized for 2-3 years when the WETA will assume operations. As additional residents move to TI and YBI, MUNI bus service will be enhanced, new AC Transit bus service to the East Bay will commence and an on-island shuttle from the transit hub to the new neighborhoods will begin service.

The island will have congestion-pricing to encourage transit usage and discourage peak-time auto travel. Subsidized transit passes and discounts to services like car- and bike-share will make transit affordable and accessible to longtime residents and people living in below market-rate housing.

The redevelopment of Treasure and Yerba Buena Islands creates a brand new neighborhood for existing and new residents with equity principles baked into its core. From inception, the plan has included over 27% of housing units to be affordable, with units reserved for homeless households integrated into the affordable units and the affordable units integrated throughout the market rate units. All janitorial and landscaping in TIDA operated spaces, such as Building One and most of the public open space, are performed by One Treasure Island members Toolworks and Rubicon landscaping, which provide job training and work opportunities for economically disadvantaged people and/or people with disabilities. Twenty five percent of all new construction jobs and 25% of all new permanent jobs are set-aside for economically disadvantaged San Franciscans that face barriers to employment per the DDA. Parks, open space, community facilities and retail strategies are conscientiously being developed to foster inclusion and integration. From inception, equity has been at the heart of Treasure Island redevelopment planning and implementation.

## **III. PUBLIC PRIVATE PARTNERSHIP**

There are three key entities leading the development process.

### **Treasure Island Development Authority**

The Treasure Island Development Authority (“TIDA” or the “Authority”) was formed in 1997 as a non-profit, public benefit agency dedicated to the

economic development of the former NSTI and the administration of municipal services thereon. It is governed by its own Board of Directors.

**Treasure Island Community Development, LLC (principal developer)**

The Treasure Island Development Corporation LLC (“TICD”) is a joint venture between Lennar Urban and KSWM and is the principal developer. Members of KSWM include: Stockbridge Capital Group; Wilson Meany Sullivan LLC; and Kenwood Investments, LLC.

**One Treasure Island**

One Treasure Island (One TI) (formerly known as the Treasure Island Homeless Development Initiative or TIHDI), is a California nonprofit public benefit corporation that was formed in June 1994 for the purpose of utilizing the structural and economic development resources of the former NSTI to create a vibrant, inclusive community that provides pathways for economic advancement for lower-income and formerly homeless San Franciscans. One TI achieves its mission through affordable housing, jobs, community building, and advocacy. One Treasure Island is a membership organization committed to fostering an equitable, inclusive, and thriving community for all Treasure Island residents, employees, businesses, and visitors emphasizing inclusion by lower-income households and those who have experienced homelessness.

**IV. HORIZONTAL DEVELOPMENT**

Yerba Buena Island is a natural island and Treasure Island is man-made. Before vertical construction can begin significant infrastructure, improvements were needed and will continue.

TICD’s application for Major Phase I development was submitted in 2014 and approved by TIDA in May 2015. TIDA oversees the delivery of infrastructure and geotech work, supported by the City’s Public Works Task Force and construction inspections through the City’s Department of Building and Inspection.

Demolition of the existing buildings in Stage 1 (the area including the affordable parcels) and infrastructure work for new water tanks that serve Treasure Island and Yerba Buena Island and Phase I geotechnical mitigation work has all been completed and street infrastructure is underway. The infrastructure and geotechnical scope is described below.

Infrastructure and Geotechnical Work

The Geotechnical Conceptual Design Report for Treasure Island, completed February 2, 2009, describes soils comprised of 30-50 ft of sand fill and 20-120 feet of young bay mud, underlain by firmer soils. It also states that the island perimeter could be destabilized by liquefaction. The geotechnical improvement program for Treasure Island has four primary



components and each component will be completed within a phase of infrastructure improvements. The four primary components are:

- Reconstruction of the causeway connecting Treasure Island and Yerba Buena Island. The causeway is almost complete and has been reconstructed in its entirety – excavated to near sea level, cement deep soil mixing (“CDSM”) employed to strengthen soils below sea level and then reconstructed using appropriate engineered fill to the intended finished elevation.
- Improvement of Island Perimeter – the perimeter of the island will be strengthened employing a combination of stone columns and CDSM walls to mitigate lateral spread of the island following the subsidence of off-shore materials in a seismic event.
- Vibratory Compaction – Throughout the area of vertical development, including the street areas, the fill materials and underlying naturally deposited sands on which the island rests will be consolidated through vibratory compaction through their 50’-70’ depth. This is intended to mitigate the potential for liquefaction during future seismic events by pre-consolidating these fill materials.
- Surcharging – following compaction of the materials from which the island was constructed, imported soil will be stockpiled on the development areas to simulate the dead weight of the future buildings and other improvements. This weight will induce the consolidation of the bay mud which underlies the sandy fill materials to mitigate settlement that would otherwise occur after the future buildings are constructed. After surcharging, the imported soil will be removed from the site to achieve the desired finished site elevation.
- Increasing the soil capacity also allows buildings up to 7-stories to be supported on conventional foundations. Taller buildings will require deep foundations.

#### Sea Level Rise Mitigations

The redevelopment of Treasure Island has been designed to account for sea level rise. Our adaptive management strategy includes:

- Raising the island to guard against sea level rise, including wave run-up.
- All streets will be at least 36 inches higher than the Base Flood Elevation. All ground floors will be 42 inches higher than the FEMA Base Flood Elevation.
- The perimeter of the island will be geotechnically improved. The crest elevation of shoreline structures will be 16-32 inches higher than currently required to mitigate any extreme events, such as tsunamis, high tides and storm surges.
- All residential buildings on the West and North side will be set back at least 350 feet from the shoreline so that the island buffer perimeter can

be improved if sea levels continue to rise beyond current projections. This will be financed by a Community Facilities District that will raise \$1.2 billion over 99 years for improvements to mitigate against future sea-level rise.

In June 2020, TIDA was awarded a \$30 million State of California Housing and Community Development (“HCD”) Infill Infrastructure Grant Program (“IIG”) funds to conduct a portion of the infrastructure work. The grant is sitewide for Treasure Island and requires affordable housing to be constructed, but none of the IIG funds will be applied to individual TI affordable housing developments.

## **V. COMMUNITY PLANNING AND ISLAND AMENITIES**

When the Navy vacated Treasure Island in 1997, all community services such as childcare, recreation, and youth programming ceased to operate and non-code compliant playgrounds were removed. One TI developed a Services Plan that included the reuse of existing facilities to provide community services. The Community Services and Facilities Plan is updated regularly, most recently in 2021. These services were and are seen as critical in both supporting island residents while building opportunities to create a new neighborhood through shared experiences and mutual needs. As part of actively planning for community services and facilities, One TI has also worked with Triple Aim/National Initiative on Mixed Income Communities for strategic guidance, is developing Equity Indicators research and monitoring and working with TIMMA/SFCTA to conduct a Supplemental Transportation Needs Assessment for current TI residents.

The purpose of this section is to describe current amenities on Treasure and Yerba Buena Islands as well as the amenities that are expected to be complete by the time that TI-C3.1 is projected for completion, with a focus on amenities and facilities that are family friendly.

### **Parks, Playgrounds, Open Space**

Approximately ½ mile from the project site (across the street from the restaurant MerSea, at 9th street) is a public playground, picnic area, and dog park.

Residents also enjoy the Perimeter Path - a walking trail along the Bay and a beloved community features for TI residents.

A portion of Waterfront Plaza in front the Ferry Terminal is expected to open in March 2022 with the entire park scheduled for completion by October 2022. The causeway stormwater garden and associated pedestrian facility including access to the Clipper Cove beach at the east Causeway is also near completion.

On Yerba Buena Island Hilltop Park, a new dog park, and Pier E-2 (at the end of Northgate Road at the east of YBI) are all scheduled to open in April 2022

In addition to the formal parks, pocket parks are planned all around the Shared Public Way which is a car-free bike and pedestrian corridor and many of these improvements will be close to completion by the time the Treasures Island Parcel C3.1 is occupied.

Today, residents have access to baseball, soccer and rugby fields. In addition, a new soccer / sports facility at 9th Street and Avenue M is underway by SF Glens and SF Little league is constructing a replacement baseball field at 8th Street and Avenue M.

Future parks include a Cultural Park by the Chapel and Cityside Park on the western shore, and The Wilds on the northern portion of Treasure Island but no timetable is available for these parks at this time.

### **Childcare**

Catholic Charities runs the current childcare facility on the Island, with 18 enrolled students and a waitlist. The center has capacity for 100 children, but staff capacity currently constrains enrollment. The center will also be available to TI-C3.1 residents.

### **Schools**

Currently, the Life Learning Academy operates a charter high school with 50 students and including 24 students living in the dorm. At this time SFUSD is not operating the existing school facility but SFUSD intends to open a school on Treasure Island in the future.

### **The YMCA**

The Treasure Island Y offers recreation, integrated programs and partnerships throughout the community. The fitness center serves 1,000 members and is free to all Treasure Island residents. Programs and classes respond to community health and wellness needs. Youth programs operate 7 days per week and include a K-8 summer program with excursions. The YMCA currently operates out of the gymnasium facility's basketball courts, three built- out rooms and kitchen.

### **Ship Shape Community Center**

The community center has been operated by One TI for over 20 years and is used for community events and meetings, trainings, a weekly food pantry (serving an average of 200 households a week with staples and fresh produce during COVID-19), a free tax preparation site and a free computer lab.

### **Library**

The San Francisco Public Library operates a weekly bookmobile that parks in front of Ship Shape and YMCA 1-2 days per week. Planning is currently under way for a library kiosk that is projected to be in operation by the time Treasure Island C3.1 is occupied.

### **Sailing Center**

The Sailing Center has been in operation since 1999. The center offers pro-bono programs and scholarships for underserved youth; it serves the Life Learning Academy students, among others. The facility provides services both for elite athletics programs and for local, low-income populations who may not have basic water safety skills.

### **Grocery Store**

Island Cove Market, is a full service grocery store (excluding alcohol) totaling approximately 10,000 square feet in Building 201, 800 Avenue H. Island Market & Deli is a convenience store totaling approximately 410 sq. ft and is located in Building 1.

### **Community Clinic**

The San Francisco Department of Public Health's (DPH) Treasure Island Community Clinic is administered by DPH's Maxine Hall Health Center and is located in a portion of the YMCA. The clinic is staffed by a nurse who provides advice, referrals and drop-in treatment of minor urgent issues. The service is intended for low-income families in order to refer and connect them to primary care if they are not already connected.

### **Treasure Island Museum**

This is a small museum in Building 1 with plans underway for a new and bigger space in Building 1. It envisions having a responsibility to communicate Treasure Island's continuous role in innovation, arts and architecture and to help knit together the residential community. The Museum's place of prominence means it is in a position to introduce visitors to Treasure Island and can also build a sense of place and tell the story of Treasure Island.

## **VI. AUTHORIZING AGREEMENTS**

The purpose of this section is to summarize the authorizing legislation that governs redevelopment. This section also describes enforcement mechanisms to ensure that the principal developer meets its obligations as well as describes revenue sources for affordable housing that are generated by the project. This section first focuses on the Disposition and Development Agreement and then The Amended and Restated Base Closure Homeless Assistance Agreement.

### **Disposition and Development Agreement**

TIDA oversees the redevelopment of Treasure Island and Yerba Buena Island. The Disposition and Development Agreement (the "DDA") dated June 29, 2011 is central to the development of Treasure Island and Yerba Buena Island and guides the work of TIDA. The DDA addresses the obligations of the Treasure Island Community Development, LLC ("Principal Developer") and TIDA with regard to developing infrastructure, housing, commercial and open spaces on Treasure Island/Yerba Buena Island. The DDA also establishes that TIDA will

sell or ground lease developable lots to vertical developers in accordance with land use documents including a General Plan Amendment, Development Agreement, and Design for Development. Salient features of the DDA with respect to affordable housing are described below.

Housing Plan. The DDA contains a Housing Plan that specifies the opportunities and obligations for the development and construction of affordable housing units that have been agreed upon by TIDA and the Principal Developer. The Housing Plan in the DDA allows for the development and construction of up to 1,866 Authority Housing Units including 435 units reserved for homeless households and up to 307 Inclusionary Units, for a total of up to 2,173 Affordable Housing Units representing over 27% of all residential homes when Treasure Island and Yerba Buena Island are fully developed.

The TIDA Housing Projects include affordable units that will be rented to low income households spanning a wide range of affordability and may include Transition Units. A detailed description of the rights and benefits of Legacy Households are described below in the next section of this Attachment.

TIDA Housing Projects will be developed by Qualified Housing Developers (as defined in the DDA), and minimally the 435 units for homeless households will be developed by One TI member organizations.

Approximately 21.7% of the acreage of the developable residential pads will be available in 20 parcels to be used for the development of these affordable housing units.

Treasure Island Investment and Principal Developer enforcement mechanisms. The DDA governs enforcement mechanisms to ensure development completion by the Principal Developer. TICD provided Payment and Performance Bonds to TIDA for the infrastructure, utilities, geotechnical improvements and other obligations under the DDA. Further assurances for performance are also provided through the DDA via a Right of Reversionary Quitclaim deed which is recorded on title in the event that TICD were to fail to make the improvements required in each sub phase.

While any undertaking of this infrastructure and geotechnical scope, depth and breadth carries risk, it's worth acknowledging the deep investments that have already been made by the City and TICD, the most significant being the City's approval of an equity and construction loan guarantee of Parcel 3.2 - Maceo May, a 100% affordable housing development for homeless and low income veterans. While this loan guarantee will not be available to other commercial lenders of the affordable housing developments, the guarantee demonstrates the City's commitment to TI affordable housing development.

Other deep City and TICD investments are Treasure Island's creation of its own transportation management agency, the Treasure Island Mobility Management Agency (TIMMA), which has successfully achieved State legislation authorizing congestion toll pricing. TIDA has also created its Infrastructure Financing District in order to start accruing tax increment and the first tranche of IRFD proceeds for affordable housing is expected by Q3 2022.

TICD has invested well over \$100 million into the approval process for the DDA and its Major Phase and Sub-phase plans. The Principal Developer continues to deliver Payment & Performance bonds totaling several million dollars for the various scope of work for which it is responsible. The Principal Developer has invested heavily and would lose the right to develop if it does not deliver on the horizontal and then the vertical improvements.

Treasure Island-specific revenue opportunities. Per the DDA, TICD is required to provide a payment of \$17,500 per market-rate unit at the transfer of a market rate lot to a vertical developer to subsidize the affordable units. These funds, as well as tax increment financing generated by a new infrastructure financing district, and typical Jobs-Housing Linkage fees related to commercial space development, will help finance the affordable units. However, these funds were not available for the first affordable housing development, Maceo May, which was funded by City affordable housing sources. It is anticipated that Treasure Island Parcel C3.1, developed by Mercy, will receive some of the first tax increment financing. Depending when the funds are available, the funding will either be an upfront commitment or made through an amendment allowing the funds to replace committed City funds.

TIDA intends to request a forward commitment from TICD if needed in order to accelerate the development of future projects. The ability to request a forward capital commitment from TICD was contemplated in the DDA Section 8.4(e) of the Housing Plan in order to help transition Legacy Households (described below).

### **The Amended and Restated Base Closure Homeless Assistance Agreement**

One Treasure Island ("One TI") (formerly the Treasure Island Homeless Development Initiative ("TIHDI")) was formed in 1994 and is a non-profit membership organization committed to developing the homeless component of the land use plan for redevelopment.

The Amended and Restated Base Closure Homeless Assistance Agreement ("Base Closure Agreement") dated June 28, 2011 outlines all TIDA obligations with respect to housing and services for current and formerly homeless individuals and families to be provided by One TI and also governs certain new

housing, employment and economic development opportunities that are managed by One TI in four broad categories:

- **Housing for homeless households:** At least 435 units (total including replacement units)
- **Employment:** 25% hiring goal for construction and permanent jobs
- **Economic Development:** Service Contracts and social enterprises that hire and train people with barriers to employment
- **Services:** Spaces for community center, youth services and administrative offices

The Agreement also describes replacement unit obligations for current residents and is described in detail below.

## **VII. EXISTING TREASURE ISLAND RESIDENTS**

As of the signing of the DDA between TIDA and TICD in 2011, there were 250 existing affordable housing units for formerly homeless households and approximately 350 existing market rate housing units on all of TI. There is no physical distinction between the market rate units and the affordable units. The former Navy housing is comprised of a scattered site 2-4 bedroom units in predominantly 6-8 unit buildings. This section describes current Treasure Island demographics (no residents currently live on YBI) and the rights and benefits of both the market rate households and the formerly homeless households living in One Treasure Island units.

### **Demographics**

In May 2020, an audit provided a count of residents currently residing within Treasure Island's housing units, including those who reside at the Job Corps Center. According to U.S. Census Bureau data since base closure, the age profile of Island residents has skewed younger (median age of 26.2 during the 2010 census) than San Francisco as a whole (median age of 36.3) and the greater San Francisco/Oakland/Hayward Metro area (median age of 38.8). The population on the Island has included 50% more children and a higher percentage of young adults than in greater San Francisco.

Also, according to 2010 census data, higher percentages of Treasure Island residents identified as Black, Native Hawaiian or Other Pacific Islander and American Indian or Alaska Native than in San Francisco as a whole and the Metro area. Much higher percentages of Treasure Island residents also selected the categories of "Other" and "Two or More Races", and twice as many Island residents identified as Hispanic or Latino than in San Francisco citywide.

The 2010 data set also showed that Island residents have lower incomes than the Metro area and significantly lower incomes than San Francisco as a whole. According to the data, median household income for Island residents was 44%

lower than for the City as a whole, and more than 48% of Island residents were below the poverty level, compared to about 11% citywide.

At the time of the audit, Treasure Island had 117 businesses with approximately 888 employees, working in a variety of sectors: manufacturing, transportation, construction, real estate, healthcare, and public administration sectors. Employment was disrupted in 2020 with the COVID-19 pandemic. The effect of the pandemic on Island businesses is not yet known.

At buildout, Treasure Island overall compared to San Francisco as a whole is projected to be more diverse, with a smaller percentage of residents identifying as white, a higher percentage identifying as Black and a slightly higher percentage identifying as two or more races. The income levels expected on the island will also be different from San Francisco as a whole, with most residents at the higher and lower ends of the income spectrum and a small amount of moderate- and middle- income residents. This is a direct result of the commitment to inclusionary and affordable housing.

### **The Villages at Treasure Island Households and Transition to New Housing**

Market rate housing on Treasure Island is operated by the John Stewart Company and the development is called The Villages at Treasure Island (The Villages). As of the signing of the DDA between TIDA and TICD in 2011, there were approximately 350 existing market rate housing units. As of January 2022, 167 households (or household members) were living at The Villages at the time the DDA was executed.

The DDA contains a Housing Plan that specifies the opportunities and obligations for the development and construction of affordable housing units that have been agreed upon by TIDA and TICD. The Housing Plan also includes the Transition Housing Rules and Regulations (the “Transition Regulations”; Attachment C of the Housing Plan), which defines the replacement unit obligations and other benefits that apply to market rate tenants living at The Villages at the time the DDA was executed. TIDA is solely responsible for coordinating and providing benefits and services to eligible households and residents per the Transition Regulations, and TIDA will ensure that Transition Units are provided as needed within Authority Housing Projects in order to meet its replacement housing obligations under the Housing Plan. (“Authority Housing Project” is defined in the DDA and includes affordable units that will be rented to low income households spanning a wide range of affordability and may include Transition Units.)

Transition Units are apartments that are not income restricted at initial occupancy and are designated for Legacy Households only. Transition Units become income restricted after all Legacy Households have received a Transition Benefit. Rent for the Transition Unit is based on current rent adjusted annually per rent increases allowed by the Rent Board.

The Transition Regulations were modified as requested by Board of Supervisors Resolution No. 476-19 and as approved by the TIDA Board Resolution no. 19-



28-1211 to provide an affordable housing preference for new Treasure Island affordable units to income qualifying market rate residents who moved into The Villages subsequent to June 30, 2011 and were still residents in good standing on December 11, 2019.

In sum, TIDA recognizes three categories of household and individual eligibility for new Authority Housing Units, Transition Units, and Inclusionary Units broadly summarized below:

- 1) **“Legacy Household”** (formerly referred to as “Pre-DDA Household”) is a current household in good standing that has continuously rented and occupied an apartment at The Villages prior to the execution of the DDA. Only Legacy Households can occupy a **Transition Unit**.
- 2) **“Legacy Resident”** is a current resident in good standing living in a Legacy Household that has continuously rented and occupied an apartment at The Villages prior to the execution of the DDA.
- 3) **“Vested Resident”** (formerly referred to as “Post-DDA Household”) is a current resident who has rented and occupied an apartment at The Villages whose tenancy began after June 29, 2011 and before December 11, 2019. All households that moved to TI after the DDA was approved in June 2011 were made aware of the temporary nature of their tenancy and that they are ineligible for transition benefits.

All existing residents living at The Villages will eventually be obligated to move as existing housing is demolished over time.

As of February 2022 TIDA, estimates that 310 households fall into the categories above representing approximately 820 individuals. Most notably, 164 households living at The Villages today are eligible for a Transition Unit.

The Legacy Households, regardless of income, will receive transition benefits from TIDA in the form of a Transition Unit and moving services or lump sum payment or down payment assistance. Legacy Residents and Vested Residents also receive a preference for affordable housing units if they income qualify via DAHLIA that can be used for new affordable units and inclusionary units. Vested Resident preferences are subordinate to Legacy Residents.

Significant collaboration has already occurred between MOHCD and TIDA to establish the Treasure Island Resident preference on DAHLIA. The first opportunity for Legacy and Vested Residents to use this preference is for 14 for-sale inclusionary units at the Bristol on Yerba Buena Island. The Bristol lottery occurred February 2022 and 9 applicants entered the lottery using their Treasure Island Resident preference number.

As mentioned, Legacy Households are entitled to replacement units per the conditions described as described in the Transition Regulations section of the DDA. MOHCD and TIDA will regularly monitor the delivery of development fees for the affordable projects throughout the build-out of Treasure Island.

### **One Treasure Island Households and Transition to New Housing**

One TI member organizations currently operate 260 units of housing on Treasure Island. The specific member organizations and number of current units occupied by One TI members include: Catholic Charities (71 units), HomeRise (formerly Community Housing Partnership) (114 units), Swords to Plowshares (31 units) and HealthRIGHT 360 (44 units used to operate housing residential treatment and transitional housing beds).

One TI units are supported by Continuum of Care contracts or other federal, state, or local operating subsidy. Existing operating subsidy contracts of these units will be transferred to the owner of the affordable housing development directly or through a MOU and/or letter between the nonprofit who is the recipient of the operating grant agreement and owner of the new affordable development. Existing One TI households in good standing are guaranteed a new replacement unit in a new affordable building.

One TI Units are guided by the Base Closure Agreement. The Base Closure Agreement outlines all TIDA obligations with respect to housing and services for current and formerly homeless individuals and families to be provided by One TI and also governs certain new housing, employment and economic development opportunities that are managed by One TI. Replacement unit obligations are detailed in Exhibit E to the Base Closure Agreement, the One TI Transition Housing Plan.

The One TI Transition Housing Plan establishes the rights and benefits of One TI households to a new unit and to moving benefits and services. Households and residents who reside in One TI Units are not eligible for benefits under the Transition Regulations within the Housing Plan of the DDA.

One TI unit replacement is planned to be completed within the first five Authority Housing Projects in order to meet the terms of the Agreement. The first 5 affordable projects on Treasure Island assume replacement units for the existing 260 One TI units. One TI worked with all its member housing service providers (Swords to Plowshares, Catholic Charities, HomeRise, Healthright 360) to determine the order of replacement units which is also informed by available funding sources at the time the land is available for construction.

Swords was the first project selected to proceed, with Chinatown Community Development Corporation as its development partner. Catholic Charities was the second project to proceed, with One TI member Mercy Housing California as its development partner. The third and fourth projects will include replacement of HR360 and HomeRise (formerly Community Housing Partnership) units. TIDA and MOHCD both approved the order and process. Below is a chart showing the

One TI housing services providers, the selected housing development partner, estimated number of units and the percent of each existing pre-DDA household by unit type living on Treasure Island in comparison to the first five affordable housing developments on TI.

Unit Type by Bedroom	EXISTING LEGACY UNITS		AFFORDABLE DEVELOPMENTS WITH DEVELOPMENT STATUS & LEGACY UNITS BY UNIT MIX FOR EACH AFFORDABLE DEVELOPMENT				
	All Current Legacy Units by Unit Mix as of 12.29.20	% of Legacy Units to total Legacy Units	In Construction C3.2 Maceo May	Proposed C3.1 Mercy + CC	In Planning IC4.3 or E1.2 CHP + TBD Developer (a)	In Planning E1.2 or E2.3/.4 HR360 +Mercy (b)	In Planning IC4.3 or E6.1 TBD Developer (c)
0	0	0%	24	0	0	TBD	TBD
1	0	0%	47	23	0	TBD	TBD
2	32	17%	33	60	60	TBD	TBD
3	85	45%	0	40	41	TBD	TBD
4	72	38%	0	14	12	TBD	TBD
Mgr's Unit	Unknown	N/A	1	1	1	TBD	TBD
<b>Total</b>	<b>189</b>	<b>100%</b>	<b>105</b>	<b>138</b>	<b>114</b>	<b>0</b>	<b>0</b>

Notes:

(a) No Legacy units assumed for this parcel

(b) 10% of units in MHC portion of parcel will be for Legacy Households and up to 20% will be for homeless households

(c) It is anticipated that any Legacy Household that has not taken an in-lieu payment, or an inclusionary unit, or a Transition unit in an Authority building will be housed in this development

**One TI Services Fee.** Pursuant to the One TI Member Organization Policy dated January 1, 2019, participating Member Organizations must agree to provide any of the following services for activities for persons living or working on Treasure Island: affordable housing development, affordable housing operations, supportive services, community services, job referrals, job placements, or job training in furtherance of One TI's mission on Treasure Island and in accordance with One TI's Agreement with TIDA.

For Member Organizations that are housing developers, a One TI services fee of \$3,000 per year in 2019 ("Housing Services Fee") is expected to be paid annually from project operations of new affordable housing developments. The Housing Services Fee will increase 3.5% per year. On January 29, 2021, MOHCD and TIDA agreed that the Housing Services Fee would be disbursed from the operating budget prior to reserves, ground lease rent, and bond fees. The obligation to pay the Housing Services Fee will commence once a housing developer's affordable housing property obtains its certificate of occupancy and is available for rent. The Housing Services Fee will support One TI's ongoing efforts to foster a thriving, mixed-income community, including, by way of example these types of activities:

- One TI convenes and/or supports meetings by TIDA and other TI stakeholders operating on Treasure Island whose purpose is to troubleshoot practical issues, plan/coordinate joint activities (such as Back to School and Black History Month) and to communicate

and implement policies in a consistent and coordinated manner to all Treasure Island tenants, regardless of housing provider;

- One TI facilitates bi-monthly community-wide meetings for tenants, clients and other Treasure Island residents hosted by One TI, TIDA and/or the Property Management Agent (currently, The John Stewart Company);
- Increase Treasure Island residents' opportunities for island-based job placement and participation in financial health programs;
- Plan, coordinate and ensure a range of social, educational and recreational opportunities for children and youth, such as, childcare spaces, after school and summer school programming;
- Coordinate community-wide events; and
- Develop and implement a community building plan

As of January 1, 2019, the Housing Services Fee specifically supports the One TI activities listed below.

- Access to weekly food pantry
- Job training and placement opportunities
- Access to free computer lab
- Access to free financial literacy & education services
- Access to free tax preparation site
- Community building events such a Halloween and Black History Month, community meetings and leadership trainings

For affordable housing developments not built by Member Organizations, One TI anticipates that those housing developers will join One TI.

### **Attachment B: Project Milestones and Schedule**

<b>No.</b>	<b>Performance Milestone</b>	<b>Estimated or Actual Date</b>	<b>Notes</b>
A.	Prop I Noticing (if applicable)		
1.	One Treasure Island First Predevelopment Financing	<u>11/20/2018</u>	
	One Treasure Island Second Predevelopment Financing	<u>11/2020</u>	
2.	Option to Lease	<u>11/14/2018</u>	
2	Acquisition/Predev Financing Commitment	_____	
2.	Site Acquisition/Option to Lease	_____	_____
3.	Development Team Selection		
a.	Architect	<u>Feb 2018</u>	
b.	General Contractor	<u>July 2018</u>	
c.	Owner's Representative	<u>May 2018</u>	
d.	Property Manager	<u>Feb 2018</u>	
e.	Service Provider	<u>Feb 2018</u>	
4.	Design		
a.	Submittal of 100% Concept Design	<u>1/14/2019</u>	
a.	Submittal of 100% Schematic Design & Cost Estimate	<u>5/2019</u>	_____
b.	Submittal of 100% Design Development & Cost Estimate	<u>9/2019</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>Completed</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>12/2021</u>	
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	<u>N/A</u>	
b.	NEPA Environ Review Submission	<u>N/A</u>	
c.	CUP/PUD/Variances Submission	<u>N/A</u>	
6.	Permits		
a.	Building / Site Permit Application Submitted	<u>12/2019</u>	_____
b.	Addendum #1 Issued	<u>11/2021</u>	
c.	Addendum #2 Issued	<u>1/10/22</u>	
7.	Request for Construction Bids Issued	<u>11/18/21</u>	

8.	Service Plan Submission		
a.	Preliminary	<u>6/2020</u>	
b.	Interim	<u>10/2021</u>	
c.	Update	<u>10/2022</u>	
9.	Additional City Financing		
a.	Predevelopment Financing Application #2	<u>1/2021</u>	
b.	Gap Financing Application	<u>3/2022</u>	
10.	Other Financing		
a.	MHP Application	<u>Not Applying</u>	
b.	Construction Financing RFP	<u>3/2021</u>	
c.	AHP Application	<u>3/2021</u>	Next application submission is 3/2022 in New York FHLB
d.	CDLAC Application	<u>5/2021</u>	
e.	TCAC Application	<u>5/2021</u>	
f.	HUD 202 or 811 Application	<u>N/A</u>	
g.	Other Financing Application – ASHC	<u>2/2019</u> <u>Awarded</u> <u>6/2019</u>	
h.	Other Financing Application – HCD Accelerator	<u>Application</u> <u>submitted</u> <u>10/2021</u>	
11.	Closing		
a.	Construction Closing	<u>4/2022</u>	
b.	Permanent Financing Closing	<u>5/2024</u>	
12.	Construction		
a.	Notice to Proceed	<u>4/2022</u>	_____
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>3/2024</u>	_____
13.	Marketing/Rent-up		
a.	Marketing Plan For Project Submission	<u>5/2023</u>	_____
b.	Commence Marketing	<u>8/2024</u>	

c.	95% Occupancy	<u>9/2024</u>	_____
14.	Cost Certification/8609	<u>9/2025</u>	
15.	Close Out MOH/OCII Loan(s)	<u>9/2025</u>	

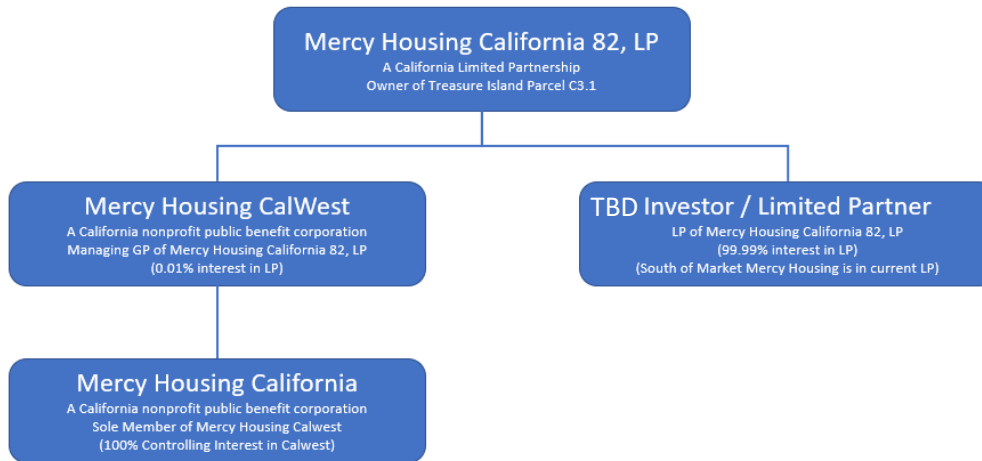
### **Attachment C: Borrower Org Chart**

[Organization Chart follows cover.]





## Treasure Island Mercy Housing Organization Chart



### **Mercy Housing California**

2512 River Plaza Drive, Suite 200, Sacramento, California 95833 o | 916-414-4400 f | 916-414-4490

1256 Market Street, San Francisco, California 94102 o | 415-355-7100 f | 213-743-5828

1500 S. Grand Avenue, Suite 100, Los Angeles, California 90015 o | 213-743-5820 f | 213-743-5828

TTY | 800-877-8973 or 711

[mercyhousing.org](http://mercyhousing.org)

Mercy Housing is sponsored by communities of Catholic Sisters

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### **Attachment D: Development Staff Resumes**

Mercy Housing California (“MHC”) has been developing and owning affordable housing in San Francisco for 30 years. MHC owns and operates 37 buildings that it developed in San Francisco for families, seniors, disabled, and the formerly homeless in San Francisco, including two properties in Mission Bay (1180 Fourth St and Mission Creek Senior Housing) as well as one property in the nearby Transbay District (280 Beale). MHC also has 4 additional properties under construction in San Francisco and 5 in pre-construction.

MHC has a long history of working in successful development and ownership partnerships that include partnerships with childcare providers, medical clinics, and senior centers. MHC has negotiated a variety of ownership and financing structures, including air rights lot splits, master-leases, etc., in order to make these partnerships work.

MHC also has extensive experience with green design and green building criteria that ranges from green roofs, solar hot water and electric, and recycled storm water. This commitment to green building extends into operations with composting and recycling training programs as well as a Healthy Home Guide to educate residents about green building features and green maintenance.

MHC’s property management affiliate, Mercy Housing Management Group, will manage the property after construction is complete. MHM currently manages 37 properties in San Francisco with populations that range from formerly homeless, to seniors and frail elders, persons with disabilities and families. MHM manages 500 units serving the formerly homeless populations including 50 at 1180 Fourth Street.

Mercy staff working on TI-C3.1 are listed below with their brief resume.

**Nabihah Azim, Senior Project Manager**, started her career at the Mercy Housing in 2013. Nabihah has worked on many projects during her time at Mercy, most recently completing 167 units at Sunnysdale HOPE SF. In addition to development, Nabihah also has experience in policy and education in her volunteer work and participation in leadership committees. Nabihah has a Master’s in City Planning from the University of California, Berkeley.

**Elizabeth Kuwada, Associate Director**, before joining Mercy, worked for various architectural firms and nonprofit developers. Elizabeth’s work consisted of design and the oversight of multiple affordable housing projects. Elizabeth has a B.A. in Architecture from Yale University and has a Master’s in Real Estate Development from the Massachusetts Institute of Technology.

**Nyla Hill, Assistant Project Manager** joined Mercy in 2019 working in the affordable housing department. Nyla assists in project management, the closeout and completion of projects, and relevant housing development application documents. Nyla will support the development by ensuring the desired outcomes are achieved through cooperation with the appropriate service providers and effective community engagement and outreach.

## **Attachment E: Asset Management Evaluation of Project Sponsor**

Mercy Housing California's California Asset Management staff will provide asset management staff for the asset management duties. Mercy's Denver compliance and accounting staff would continue to perform compliance and accounting duties for the TI Parcel C3.1 project during operations.

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

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

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

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

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

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

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

Asset management submits grants and loan applications for the properties to secure or continue operating funding.

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

There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is constant coordination with property management on a daily basis in regards to those issues. Asset and Property Management work together on the annual audits and budgets. In addition, there is constant coordination around cash management and the financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

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

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

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

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

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

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

an increase of 10 projects in the Developer's portfolio anticipated over the next 5 years, the ratio will increase to 17 and remain within the industry standard.

**Attachment F: Site Map with amenities**








[See separate attachment.]



# Treasure Island C3.1

Amenities 1/2 mile from project site

## Legend

-  1/2 mile radius
-  Island Cove Market
-  Life Learning Academy Building
-  Muni Line 25 Bus Stop
-  Project Site
-  Treasure Island Dog Park and Playgrounds
-  Treasure Island Supportive Housing | Catholic Charities

Island Cove Market

Life Learning Academy

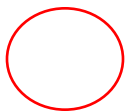
Treasure Island Supportive Housing | Catholic Charities

Muni Line 25 Bus Stop

Treasure Island Dog Park and Playgrounds







Represents the 1/2 Mile Radius around the Property



Site Location



Grocery Store

## Grocery Store access within 1/2 mile

Island Cove Market



**From:** [Rovetti, Richard \(ADM\)](#)  
**To:** [Laura Shipman](#)  
**Cc:** [Natalie Bonnewit](#); [Sherry Williams](#); [Nyla Hill](#); [Nabihah Azim](#); [Beck, Bob \(ADM\)](#)  
**Subject:** [EXTERNAL] RE: Island Cove Market  
**Date:** Wednesday, May 19, 2021 3:08:17 PM  
**Attachments:** [image011.png](#)  
[image015.png](#)

---

**EXTERNAL EMAIL** - Please use caution with email links or attachments.

The interior of island cove market at building 201 is approximately 10,000 square feet.

Richard A. Rovetti  
Deputy Director of Real Estate  
Treasure Island  
One Avenue of Palms  
San Francisco, CA 94130

415.274.3365 Office  
415.274.0299 Office Fax



---

**From:** Laura Shipman <lshipman@onetreasureisland.org>  
**Sent:** Wednesday, May 19, 2021 2:24 PM  
**To:** Rovetti, Richard (ADM) <richard.rovetti@sfgov.org>  
**Cc:** Natalie Bonnewit <natalie@bonnewit.com>; Sherry Williams <swilliams@onetreasureisland.org>; Nyla Hill <Nyla.Hill@mercyhousing.org>; Nabihah Azim <nazim@mercyhousing.org>; Beck, Bob (ADM) <bob.beck@sfgov.org>  
**Subject:** Fwd: Island Cove Market

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hi Rich, do you have the info below? Mercy needs this for their tax credit application for their development on parcel C3.1.

Thanks!  
Laura

Island Cove Market Opens on Treasure Island

Visit the City's new website, [SF.gov](https://www.sfgov.org)

City and County of  
**SAN FRANCISCO**

I'm looking for...

## Treasure Island Development Authority

- Home
- About TIDA
- Development Project
- Development Construction
- About TI/YBI
- Leasing and Use Permits
- Meeting Index

Home > About TIDA > Island Cove Market Opens on Treasure Island

### Island Cove Market Opens on Treasure Island

TIDA is proud to announce the opening of Island Cove Market, the first full-service grocery store on Treasure Island! Serving the TI/YBI community and visitors alike, Island Cove Market offers fresh produce, dairy items, bread products, meat and poultry, deli items, canned foods, pasta, domestic items, cleaning and laundry products and more. The store opened Tuesday September 18th with a "soft opening", and a Grand Opening event is scheduled for later this fall. Island Cove Market now allows Island residents the ability to fulfill all their grocery shopping needs on-island, sparing residents the inconvenience of traveling back into San Francisco for such items.

Island Cove Market is located at 150 4th Street between Avenue B and Avenue C on the southwestern end of Treasure Island, just off the Treasure Island Great Lawn and adjacent to the Treasure Island Job Corps Campus main entrance. Initial hours of operation are Monday through Friday 9:00 AM to 9:00 PM, Saturday and Sunday 10:00 AM to 8:00 PM.

#### ABOUT TIDA

- Board of Directors
- Citizen Advisory Board
- Staff/Contact TIDA

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Treasure Island Development Authority | One Avenue of Palms, Suite 241, San Francisco, CA 94130 | Phone: 415-274-0660 | [311](#) - Service 24x7

City and County of San Francisco

- Please note that Island Cove Market has relocated and is now located at 800 Avenue H.





Grocery Store Entry





Island Cove Market Produce



Island Cove Market Produce



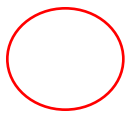


Island Cove Market Meat Counter









Represents the 1/2 Mile Radius around the Property



Site Location



Life Learning Academy Building

## Public School's within 1/2 mile

Life Learning Academy Building- High School





(<https://lifelearningacademysf.org>).



# LIFE LEARNING ACADEMY

**We believe every single kid, no matter what  
has happened to them or what they've  
done, deserves relentless love,  
accountability, and the chance to make a  
good life.**

**Life Learning Academy is a public charter  
high school serving Bay Area students who**

haven't been successful in other schools.



## OUR STUDENTS STAY IN SCHOOL

Students reduced truancy  
rates by an average of  
more than 70% after  
coming to LLA



## OUR STUDENTS GRADUATE

LLA has a graduation rate  
of 92%, an increase of  
11% over the graduation  
rate of similar students  
statewide



## OUR STUDENTS HAVE A FUTURE

100% of LLA students are enrolled in college or have a  
full-time job at graduation

## WHAT WE DO



**Life Learning Academy programs engage and challenge the Bay Area's most vulnerable students in a supportive learning environment where they want to succeed. Learn more about what we offer:**

**BUILDING COMMUNITY**

**([HTTPS://LIFELEARNINGACADEMYSF.ORG/BUILDINGCOMM  
ACADEMICS](https://lifelearningacademysf.org/buildingcommunity/academics))**

**([HTTPS://LIFELEARNINGACADEMYSF.ORG/ACADEMICS/](https://lifelearningacademysf.org/academics/))**

**WORKFORCE DEVELOPMENT**

**([HTTPS://LIFELEARNINGACADEMYSF.ORG/WORKFORCEDEV](https://lifelearningacademysf.org/workforcedev))**

**SOCIAL-EMOTIONAL LEARNING**

**([HTTPS://LIFELEARNINGACADEMYSF.ORG/SOCIALEMOTION](https://lifelearningacademysf.org/socialemotion))**


**ON-CAMPUS HOUSING**

**([HTTPS://LIFELEARNINGACADEMYSF.ORG/ONCAMPUSHOU](https://lifelearningacademysf.org/oncampushou))**

**COLLEGE READINESS**

**([HTTPS://LIFELEARNINGACADEMYSF.ORG/COLLEGEREADIN](https://lifelearningacademysf.org/collegereadin))**





*"I made the impossible  
become possible."*

*Victor, Life Learning Academy graduate*

## LIFE LEARNING ACADEMY'S COVID-19 RESPONSE (/COVID19).



LIFE LEARNING ACADEMY

651 8th Street, Treasure Island

San Francisco, CA 94130

Main Office: (415) 397-8957 (tel:415-397-8957).

[connect@lifelearningacademysf.org](mailto:connect@lifelearningacademysf.org)





CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE CALIFORNIA  
TAX CREDIT ALLOCATION COMMITTEE

**23D Public Park**

The Treasure Island Dog Park and Playground (Playground West) are located within 1/2 mile of the project site. Access to the Dog Park and Playgrounds was suspended due to COVID beginning in March 2020, however, now these amenities are open again to the public in accordance with public health guidelines.

**Mercy Housing California**

1256 Market Street, San Francisco, California 94102 o | 415-355-7100 f | 415-355-7101  
[mercyhousing.org](http://mercyhousing.org)

Mercy Housing is sponsored by communities of Catholic Sisters

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# Treasure Island C3.1

Distance from Project site to Treasure Island Dog Park and Playgrounds

## Legend



1/2 mile Radius



Project Site



Treasure Island Dog Park and Playgrounds



Treasure Island Dog Park and Playgrounds





Visit the City's new website, [SF.gov](https://sf.gov)

## Treasure Island Development Authority

### Treasure Island Playgrounds

---

**Both Treasure Island playgrounds are closed effective March 24, 2020.** Please report any observed damage to either Playground to the TIDA office at 415-274-0660.

#### Playground West



Located on 9th Street between Avenue of Palms and Avenue B, adjacent to Treasure Island Dog Park

#### Playground East



Located at the corner of Avenue E and 13th Street, adjacent to the SF Gaelic Athletic Association Grounds and Aracely Cafe.

For the Island Community's safe and enjoyable use of the Playgrounds, the following are Prohibited at all times:

- Pets
- Glass Containers
- Smoking, Including E-Cigs
- Barbecues and Fires
- Firearms and Weapons
- Skateboards, Roller Skates, Bicycles and Any Motorized Vehicle Except Wheelchairs
- Intoxicants and Alcoholic Beverages
- Amplified Sound
- Vandalism, Loitering and Dumping
- Vending, Sales and Solicitation Without Appropriate Permits



[Learn all about the TI/YBI Public Stewardship Program](#)

## Treasure Island Dog Park

Treasure Island Dog Park is located west of the Treasure Island West Playground and is open every day during daylight hours. All well-behaved Treasure Island dogs are encouraged to utilize the Dog Park. Human visitors must be accompanied by dog at all times. Please obey posted rules at all times. *Please report any observed damage to the Dog Park to the TIDA office at 415-274-0660.*

- **Location:** 9th Street at Avenue of Palms

## Treasure Island Playgrounds

Both Treasure Island playgrounds are closed effective March 24, 2020.

Treasure Island has two playgrounds for use and enjoyment by the Island community's children and families. *Please report any observed damage to the Treasure Island Playgrounds to the TIDA office at 415-274-0660.* [Learn more about the Treasure Island Playgrounds.](#)

- **Locations:** 9th Street at Avenue B, 13th Street at Avenue E

## Treasure Island Gymnasium

Treasure Island Gymnasium is closed and regular recreational programming is currently suspended.

Operated by the YMCA of San Francisco, Treasure Island Gymnasium offers recreational programming and services for the Island community. Use of the Gymnasium is free-of-charge to Island residents; initial registration required. [Learn more about the Treasure Island Gymnasium.](#)

- **Location:** 749 9th Street, Building 402

## TI Gymnasium After-School Program

TI Gym After-School Programming is currently suspended.

The YMCA of San Francisco offers an after-school program for Island youth and teens at TI Gymnasium, with activities, art projects, tutoring, mentoring and more. Enrollment is free-of-charge to Island families. For further information and to enroll contact TI Gymnasium staff at (415) 765-9037.

## San Francisco Department of Public Health Community Clinic

All Clinic services offered free-of-charge to Island residents; no appointment or insurance paperwork is necessary. [Learn more about the Treasure Island Community Clinic.](#)

- **Hours:** *The clinic is currently on hiatus as DPH is in the process of hiring a new nurse.*
- **Location:** Treasure Island Gymnasium, 749 9th Street at Avenue M.

## Yerba Buena Island Bimla Rhinehart Vista Point



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE CALIFORNIA  
TAX CREDIT ALLOCATION COMMITTEE

## 23-D Supportive Services

Catholic Charities is located within 1/2 mile of the project site, at **810 Avenue D, San Francisco, CA 94130**. Catholic Charities offers services for special needs populations including: case management, employment training, substance abuse counseling, and referrals to outside agencies.

### Mercy Housing California

1256 Market Street, San Francisco, California 94102 o | 415-355-7100 f | 415-355-7101

[mercyhousing.org](http://mercyhousing.org)

Mercy Housing is sponsored by communities of Catholic Sisters

LIVE IN HOPE








# Treasure Island Parcel C3.1

Distance from project site to Treasure Island Supportive Housing | Catholic Charities

## Legend

-  1/2 mile radius
-  Project Site
-  Treasure Island Supportive Housing | Catholic Charities

Treasure Island Supportive Housing | Catholic Charities 

Google Earth

N

3000 ft



### Treasure Island Supportive Housing

Catholic Charities Treasure Island Supportive Housing promotes self-sufficiency and independence of formerly homeless families. Clients are supported through an array of services designed to help families achieve residential, economic, and personal stability. Permanent, subsidized supportive housing is provided to formerly homeless and low-income families where the head of household may have one or more special needs, including mental health challenges, disabling HIV/AIDS, or a history of substance abuse.

Supportive services include:

- Case management
- Substance abuse counseling
- Employment training
- Referrals to outside agencies

In addition, Treasure Island Supportive Housing collaborates with other organizations to provide community activities for children and families.

- [Treasure Island Supportive Housing Impact 2019](#)
- [Treasure Island Supportive Housing Impact 2018](#)








# Treasure Island C3.1

Distance from project site to Muni bus line 25

## Legend

-  1/2 mile radius
-  Muni Line 25 Bus Stop
-  Project Site

Muni Line 25 Bus Stop







## 25 TREASURE ISLAND

effective 7/11/2020

MAP NOT TO SCALE

25

Terminal

Local service

Express service/stop

Connecting Muni service

Express service

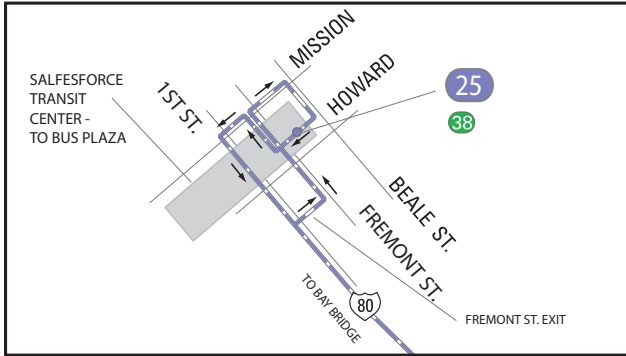
Station

DAYTIME SERVICE TO BUS DECK,  
OWL SERVICE TO BUS PLAZA

NORTH

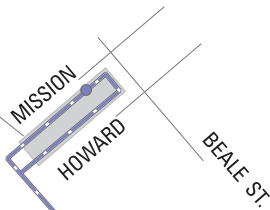


OWL SERVICE - TO BUS PLAZA



SALFESFORCE  
TRANSIT  
CENTER -  
TO BUS DECK

25  
7 38 38R  
5 5R



FREMONT ST.  
EXIT

80

BAY BRIDGE

SERVICE AREA



**Trip Planner**    e.g. 1 Market St.    »    e.g. Crissy Field    |    > Muni    **Let's Go...**

## 25 TREASURE ISLAND - Inbound to Downtown - Weekday Service

Only some stops are shown in the table below; for a complete list please visit *route page* (/routes/25-treasure-island).  
Table below shows planned service. Please see *real-time vehicle predictions* (<https://retro.umoiq.com/predictor/adaDirection.jsp?a=sf-muni&r=25>) for actual current trips.

Avenue H & 13th St	Shoreline Access Road	Transit Center Bay E	Transit Center Bay 29
6:27 am	6:36 am	-	6:44 am
6:42 am	6:51 am	-	6:59 am
6:57 am	7:06 am	-	7:14 am
7:12 am	7:21 am	-	7:29 am
7:27 am	7:36 am	-	7:44 am
7:42 am	7:51 am	-	7:59 am
7:57 am	8:06 am	-	8:14 am
8:12 am	8:21 am	-	8:29 am
8:27 am	8:36 am	-	8:44 am
8:42 am	8:51 am	-	8:59 am
8:57 am	9:06 am	-	9:14 am
9:12 am	9:21 am	-	9:29 am
9:27 am	9:36 am	-	9:44 am
9:42 am	9:51 am	-	9:59 am
9:57 am	10:06 am	-	10:14 am

Avenue H & 13th St	Shoreline Access Road	Transit Center Bay E	Transit Center Bay 29
10:12 am	10:21 am	-	10:29 am
10:27 am	10:36 am	-	10:44 am
10:42 am	10:51 am	-	10:59 am
10:57 am	11:06 am	-	11:14 am
11:12 am	11:21 am	-	11:29 am
11:27 am	11:36 am	-	11:44 am
11:42 am	11:51 am	-	11:59 am
11:57 am	12:06 pm	-	12:14 pm
12:12 pm	12:21 pm	-	12:29 pm
12:27 pm	12:36 pm	-	12:44 pm
12:42 pm	12:51 pm	-	12:59 pm
12:57 pm	1:06 pm	-	1:14 pm
1:12 pm	1:21 pm	-	1:29 pm
1:27 pm	1:36 pm	-	1:44 pm
1:42 pm	1:51 pm	-	1:59 pm
1:57 pm	2:06 pm	-	2:14 pm
2:12 pm	2:21 pm	-	2:29 pm
2:27 pm	2:36 pm	-	2:44 pm
2:42 pm	2:51 pm	-	2:59 pm
2:57 pm	3:06 pm	-	3:14 pm
3:12 pm	3:21 pm	-	3:29 pm
3:27 pm	3:36 pm	-	3:44 pm
3:42 pm	3:51 pm	-	3:59 pm
3:57 pm	4:06 pm	-	4:14 pm
4:12 pm	4:21 pm	-	4:29 pm
4:27 pm	4:36 pm	-	4:44 pm
4:42 pm	4:51 pm	-	4:59 pm
4:57 pm	5:06 pm	-	5:14 pm
5:12 pm	5:21 pm	-	5:29 pm
5:27 pm	5:36 pm	-	5:44 pm
5:42 pm	5:51 pm	-	5:59 pm
5:57 pm	6:06 pm	-	6:14 pm
6:12 pm	6:21 pm	-	6:29 pm
6:27 pm	6:36 pm	-	6:44 pm
6:42 pm	6:51 pm	-	6:59 pm
6:57 pm	7:06 pm	-	7:14 pm



Avenue H & 13th St	Shoreline Access Road	Transit Center Bay E	Transit Center Bay 29
7:12 pm	7:21 pm	-	7:29 pm
7:27 pm	7:36 pm	-	7:44 pm
7:42 pm	7:51 pm	-	7:59 pm
7:57 pm	8:06 pm	-	8:14 pm
8:12 pm	8:21 pm	-	8:29 pm
8:32 pm	8:41 pm	-	8:49 pm
8:52 pm	9:01 pm	-	9:09 pm
9:12 pm	9:21 pm	-	9:29 pm
9:32 pm	9:41 pm	-	9:49 pm
9:52 pm	10:01 pm	-	10:09 pm
10:12 pm	10:21 pm	-	10:29 pm
10:32 pm	10:41 pm	-	10:49 pm
10:52 pm	11:01 pm	-	11:09 pm
11:12 pm	11:21 pm	-	11:29 pm
11:32 pm	11:41 pm	-	11:49 pm
11:52 pm	12:01 am	12:09 am	-
12:17 am	12:26 am	12:34 am	-
12:42 am	12:51 am	12:59 am	-
1:12 am	1:21 am	1:29 am	-
1:42 am	1:51 am	1:59 am	-
2:12 am	2:21 am	2:29 am	-
2:42 am	2:51 am	2:59 am	-
3:12 am	3:21 am	3:29 am	-
3:42 am	3:51 am	3:59 am	-
4:12 am	4:21 am	4:29 am	-
4:42 am	4:51 am	4:59 am	-
5:12 am	5:21 am	5:29 am	-
5:42 am	5:51 am	5:59 am	-
6:12 am	6:21 am	6:29 am	-

**COVID-19 page (/COVID19) / La página COVID-19 (/es/projects/covid-19-developments-response) / COVID-19網頁 (/zh-hant/projects/covid-19-developments-response) / Ang pahina ng COVID-19 (/tl/projects/covid-19-developments-response)**

**Trip Planner**

e.g. 1 Market St.



e.g. Crissy Field

&gt; Muni

**Let's Go...**

## 25 TREASURE ISLAND - Outbound to Treasure island - Weekday Service

Only some stops are shown in the table below; for a complete list please visit [route page \(/routes/25-treasure-island\)](/routes/25-treasure-island).

Table below shows planned service. Please see [real-time vehicle predictions \(https://retro.umoq.com/predictor/adaDirection.jsp?a=sf-muni&r=25\)](https://retro.umoq.com/predictor/adaDirection.jsp?a=sf-muni&r=25) for actual current trips.

Transit Center Bay 29	Transit Center Bay E	Shoreline Access Road	Avenue H & 13th St
6:15 am	-	6:22 am	6:27 am
6:30 am	-	6:37 am	6:42 am
6:45 am	-	6:52 am	6:57 am
7:00 am	-	7:07 am	7:12 am
7:15 am	-	7:22 am	7:27 am
7:30 am	-	7:37 am	7:42 am
7:45 am	-	7:52 am	7:57 am
8:00 am	-	8:07 am	8:12 am
8:15 am	-	8:22 am	8:27 am
8:30 am	-	8:37 am	8:42 am
8:45 am	-	8:52 am	8:57 am

Transit Center Bay 29	Transit Center Bay E	Shoreline Access Road	Avenue H & 13th St
9:00 am	-	9:07 am	9:12 am
9:15 am	-	9:22 am	9:27 am
9:30 am	-	9:37 am	9:42 am
9:45 am	-	9:52 am	9:57 am
10:00 am	-	10:07 am	10:12 am
10:15 am	-	10:22 am	10:27 am
10:30 am	-	10:37 am	10:42 am
10:45 am	-	10:52 am	10:57 am
11:00 am	-	11:07 am	11:12 am
11:15 am	-	11:22 am	11:27 am
11:30 am	-	11:37 am	11:42 am
11:45 am	-	11:52 am	11:57 am
12:00 pm	-	12:07 pm	12:12 pm
12:15 pm	-	12:22 pm	12:27 pm
12:30 pm	-	12:37 pm	12:42 pm
12:45 pm	-	12:52 pm	12:57 pm
1:00 pm	-	1:07 pm	1:12 pm
1:15 pm	-	1:22 pm	1:27 pm
1:30 pm	-	1:37 pm	1:42 pm
1:45 pm	-	1:52 pm	1:57 pm
2:00 pm	-	2:07 pm	2:12 pm
2:15 pm	-	2:22 pm	2:27 pm
2:30 pm	-	2:37 pm	2:42 pm
2:45 pm	-	2:52 pm	2:57 pm
3:00 pm	-	3:07 pm	3:12 pm
3:15 pm	-	3:22 pm	3:27 pm
3:30 pm	-	3:37 pm	3:42 pm
3:45 pm	-	3:52 pm	3:57 pm
4:00 pm	-	4:07 pm	4:12 pm
4:15 pm	-	4:22 pm	4:27 pm
4:30 pm	-	4:37 pm	4:42 pm
4:45 pm	-	4:52 pm	4:57 pm

Transit Center Bay 29	Transit Center Bay E	Shoreline Access Road	Avenue H & 13th St
5:00 pm	-	5:07 pm	5:12 pm
5:15 pm	-	5:22 pm	5:27 pm
5:30 pm	-	5:37 pm	5:42 pm
5:45 pm	-	5:52 pm	5:57 pm
6:00 pm	-	6:07 pm	6:12 pm
6:15 pm	-	6:22 pm	6:27 pm
6:30 pm	-	6:37 pm	6:42 pm
6:45 pm	-	6:52 pm	6:57 pm
7:00 pm	-	7:07 pm	7:12 pm
7:15 pm	-	7:22 pm	7:27 pm
7:30 pm	-	7:37 pm	7:42 pm
7:45 pm	-	7:52 pm	7:57 pm
8:00 pm	-	8:07 pm	8:12 pm
8:20 pm	-	8:27 pm	8:32 pm
8:40 pm	-	8:47 pm	8:52 pm
9:00 pm	-	9:07 pm	9:12 pm
9:20 pm	-	9:27 pm	9:32 pm
9:40 pm	-	9:47 pm	9:52 pm
10:00 pm	-	10:07 pm	10:12 pm
10:20 pm	-	10:27 pm	10:32 pm
10:40 pm	-	10:47 pm	10:52 pm
11:00 pm	-	11:07 pm	11:12 pm
11:20 pm	-	11:27 pm	11:32 pm
11:40 pm	-	11:47 pm	11:52 pm
12:05 am	-	12:12 am	12:17 am
-	12:30 am	12:37 am	12:42 am
-	1:00 am	1:07 am	1:12 am
-	1:30 am	1:37 am	1:42 am
-	2:00 am	2:07 am	2:12 am
-	2:30 am	2:37 am	2:42 am
-	3:00 am	3:07 am	3:12 am
-	3:30 am	3:37 am	3:42 am

Transit Center Bay 29	Transit Center Bay E	Shoreline Access Road	Avenue H & 13th St
-	4:00 am	4:07 am	4:12 am
-	4:30 am	4:37 am	4:42 am
-	5:00 am	5:07 am	5:12 am
-	5:30 am	5:37 am	5:42 am
-	6:00 am	6:07 am	6:12 am

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

[Comparison Chart follows cover.]

Affordable Multifamily Housing New Construction Cost Comparison

Updated 3/11/2022		Review Instructions tab before beginning													
		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. 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>	Gross TDC/unit	Gross TDC/BR	Gross TDC/ sq.ft <sup>6</sup>	Subsidy / unit	Leveraging <sup>7</sup>
Delta of Subject and Comparable Projects		\$ (23,765)	\$ (13,722)	\$ (66)	\$ 82,339	\$ (56,817)	\$ (76)	\$ (22,320)	\$ (32,968)	\$ (48)	\$ 39,487	\$ (101,644)	\$ (141)	\$ (12,153)	130.8%
Delta Percentage		-99%	-99%	-99%	13%	-16%	-14%	-14%	-36%	-35%	5%	-22%	-20%	-5%	212.4%
Treasure Island C3.1		\$ 181	\$ 78	\$ 1	\$ 712,287	\$ 306,217	\$ 467	\$ 137,342	\$ 59,044	\$ 90	\$ 849,810	\$ 365,339	\$ 557	\$ 209,799	75.3%
Comparable Projects	Average:	\$ 23,946	\$ 13,800	\$ 66.68	\$ 629,948	\$ 363,034	\$ 543	\$ 159,662	\$ 92,012	\$ 138	\$ 810,323	\$ 466,983	\$ 698	\$ 221,953	72.6%

Costs <i>lower</i> than comparable average	Costs <i>higher</i> than comparable average	Costs similar to comparable average
--	---	-------------------------------------

		Building Square Footage				Total Project Costs									Notes on Financing	Building Type	Stories	Comments
		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/land	Local Subsidy	Total Dev. Cost w/o land				
ALL PROJECTS	Average:	35,359		122	191	117,475	15,182	130,149	\$ 2,660,775	\$ 71,639,445	\$ 19,490,830	\$ 93,821,536	\$ 27,182,380	\$ 91,161,530				
Comparable Projects Completed (filtered)	Average:	44,108		128	226	127,319	17,118	144,437	\$ 2,513,854	\$ 80,834,852	\$ 16,688,136	\$ 98,861,279	\$ 27,891,392	\$ 96,347,424				
Comparable Projects Under Construction (filtered)	Average:	45,933		130	220	127,354	24,688	136,995	\$ 5,281,557	\$ 74,311,597	\$ 21,651,562	\$ 101,183,382	\$ 30,576,918	\$ 95,901,825				
Comparable Projects In Predevelopment (filtered)	Average:	47,553		126	219	155,627	7,653	163,279	\$ 1,378,721	\$ 86,193,892	\$ 22,828,842	\$ 110,399,455	\$ 26,564,415	\$ 109,023,734				
Total Comparable Projects	Average:	45,864		128	222	136,767	16,486	148,237	\$ 3,058,044	\$ 80,446,780	\$ 20,389,513	\$ 103,481,372	\$ 28,344,242	\$ 100,424,328				
Treasure Island C3.1	6th St. Avenue C	49,841		138	321	210,586	-	210,586	\$ 25,000	\$ 98,295,567	\$ 18,953,264	\$ 117,273,831	\$ 28,952,317	\$ 117,248,831		Type IIIA over Type IA	7	4-7 Stories Type V & IIIA over 2 Stories Type IA
Delta of Subject and Comp Project Averages		3,977		10	99	73,819	-16,486	62,349	(\$3,033,044)	\$17,848,787	(\$1,436,249)	\$13,792,459	\$608,075	\$16,824,503				
Delta Percentage		9%		8%	45%	54%	-100%	42%	-99%	22%	-7%	13%	2%	17%				

PROJECTS COMPLETED						Building Square Footage			Total Project Costs									
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Transbay 7 - Natalie Gubb Comm	222 Beale Street	29,209	Oct-18	120	208	118,251	5,000	123,251	\$ 35,000	\$ 67,781,262	\$ 16,314,468	\$ 84,130,730	\$ 25,560,000	\$ 84,095,730	HCD AHSC Loan	Type I Podium	4-8	3 Buildings - Pueblo structural system, plus Childcare shell
Mission Bay Bl 6 East	626 Mission Bay Blvd. No.	63,250	Nov-18	143	276	162,080	9,719	171,799	\$ 148,125	\$ 88,724,017	\$ 15,222,907	\$ 104,095,049	\$ 35,750,000	\$ 103,946,924	HCD AHSC Loan	Type IIIA -V over Type I		41 pkg spaces, Mission Bay soils and infrastructure
Mission Bay S. Block 3E	1150 Third Street	47,140	Jan-20	119	192	83,138	41,062	124,200	\$ -	\$ 71,481,377	\$ 7,323,794	\$ 78,805,171	\$ 20,093,600	\$ 78,805,171	HCD VHHP Loan	Type V over Type I		strong articulation / ext. skin due to D4D reqmts.
Parcel O	455 Fell Street	37,428	Jun-19	108	165	82,117	31,128	113,245	\$ -	\$ 63,708,032	\$ 9,994,087	\$ 66,648,743	\$ 17,309,250	\$ 66,648,743	HCD AHSC Loan	Type V over Type I		
88 Broadway - Family Housing	88 Broadway	38,182	Jul-21	125	221	140,279	8,700	148,979	\$ 14,900,000	\$ 79,238,332	\$ 27,758,226	\$ 121,896,558	\$ 27,908,676	\$ 106,996,558	HCD AHSC Loan	Type IIIA & V over Type I	5-6	Family
691 China Basin (MB South 6W)	691 China Basin St	49,437	Aug-21	152	294	178,050	7,098	185,148	\$ -	\$ 114,076,089	\$ 23,515,332	\$ 137,591,421	\$ 40,726,827	\$ 137,591,421	HCD IIG Grant	Type III and Type V		care space
1990 Folsom Street	1990 Folsom	29,047	Sep-21	143	226	138,824	15,063	153,887	\$ 8,407,380	\$ 87,533,838	\$ 25,616,512	\$ 121,557,730	\$ 46,711,496	\$ 113,150,350		Type I and Type VA	2 & 8	Mixed type - Townhomes + 8 story Type I
Completed Projects:	Average:	33,590		105	172	101,201	17,338	118,539	3,658,905	62,892,113	13,089,951	79,334,301	23,698,722	75,675,396				

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs									
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Sunnydale Block 6	242 Hahn Street	95,213	Feb-22	167	375	167,065	76,656	243,721	\$ -	\$ 102,447,000	\$ 28,898,989	\$ 131,345,989	\$ 28,109,924	\$ 131,345,989		Type V over Type I		Does not include infrastrucure assignment)
53 Colton (Plumbers Union DA)	53 Colton	7,780	Jul-22	96	96	47,969	-	47,969	\$ 171,697	\$ 34,895,639	\$ 16,721,274	\$ 51,788,610	\$ 2,750,000	\$ 51,616,913	4%, HCD MHP, AHP,	Type IIIA over Type I	6	Constrained site, efficiency studios
4840 Mission	4840 Mission	64,033	Jun-23	137	232	181,711	14,384	120,861	\$ 14,169,802	\$ 83,789,393	\$ 23,931,086	\$ 121,890,281	\$ 51,614,447	\$ 107,720,479	HCD MHP Loan	Type V over Type I		Inc retail + 39 spaces pkg + Health Clinic + POPO
Under Construction:	Average:	39,501		148	210	132,686	18,045	143,208	3,041,662	77,437,727	25,188,597	105,667,985	31,960,212	102,626,323				

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs									
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Shirley Chisholm Village Ed Hsg.	1351 42nd	60,000	Aug-22	135	203	157,635	11,322	168,957	\$ -	\$ 86,201,784	\$ 19,603,978	\$ 105,805,762	\$ 25,469,902	\$ 105,805,762	9% LIHTC	Type 3A	4	9% TCAC (85% CD est 12/20 esc. to 7/22)
Sunnydale Block 3B	TBD	73,000	Jun-22	90	178	125,800	3,400	129,200	\$ 20,001	\$ 69,588,660	\$ 19,750,187	\$ 89,338,847	\$ 8,466,742	\$ 89,338,847	4% Credits: HCD IIG &	Type IIIA	5	parking
Potrero Block B	25th and Connecticut	74,311	May-22	157	348	274,371	10,473	284,844	\$ 11,919,500	\$ 134,134,011	\$ 43,184,240	\$ 189,237,751	\$ 11,991,620	\$ 177,318,251	4% Credits: HCD IIG &	Type IIIA	5-6	65 pkg + cc + park. excl. Infra (CHA app est 10/21)
HPSY Block 52-54	151 and 351 Friedell St	45,580	May-22	112	217	147,190	21,541	168,731	\$ -	\$ 91,878,228	\$ 16,839,389	\$ 108,717,617	\$ 59,200,732	\$ 108,717,617	4% credits, bonds	Type III over Type 1		ratio 6/1
Hunters View Ph 3 Block 14 & 17	855 & 853 Hunters View Dr	39,355	May-22	118	286	172,645	3,881	176,526	\$ -	\$ 99,328,925	\$ 23,897,677	\$ 123,226,602	\$ 37,735,027	\$ 123,226,602	4% Credits: HCD MHP	Type III-A over Type I	5-6	Incl Commi spaces & 56 Pkg (35% CD 8/20)
4200 Geary	4200 Geary	16,738	Sep-22	98	98	54,491,394	1,908	78,742	\$ -	\$ 54,491,394	\$ 17,509,109	\$ 72,000,503	\$ 17,482,086	\$ 72,000,503	4% Credits: HCD MHP	Type III over Type I	7	Commi Sp, Urban Ag (95% CD/Add 1&2; est 1/15/2022)
Laguna Honda Senior	375 Laguna Honda Blvd		Feb-23	200	204	212,000	13,000	225,000	\$ 15,000	\$ 97,750,000	\$ 20,222,441	\$ 117,987,441	\$ 47,272,441	\$ 117,972,441	4% Credits: IIG, HCD,	Type III over Type I	7	
Reservoir Building E	Lee Avenue	31,008	Mar-23	124	192	138,150	1,000	139,150	\$ 1,777,707	\$ 73,866,869	\$ 30,807,599	\$ 106,452,175	\$ 13,628,128	\$ 104,674,468		Type IIIA over Type IA	7	Estimate Predev LE 3/21
Sunnydale Block 9	TBD	52,272	Oct-24	100	239	108,644	-	108,644	\$ 10,000	\$ 80,087,484	\$ 20,587,449	\$ 100,884,933	\$ 18,660,015	\$ 100,884,933	4% Credits: HCD IIG &	Type IIIA over Type IA	4	Parking at .74 ratio
1515 SVN	1515 South Van Ness Ave	35,714	May-24	122	220	143,000	10,000	153,000	\$ 45,000	\$ 74,611,565	\$ 15,886,352	\$ 90,542,917	\$ 25,737,456	\$ 90,497,917	4% credits, HCD MHP	TBD	6	No design; 10k sf retail, no pkg (10/19/21 LE est)
In Predevelopment	Average:	32,988		114	191	118,537	10,164	128,701	\$ 1,281,760	\$ 74,588,494	\$ 20,193,942	\$ 96,462,323	\$ 25,888,206	\$ 95,182,871				

<sup>0</sup> Items highlighted in yellow represent gaps in information

<sup>1</sup> Includes studios as 1BRs

<sup>2</sup> Residential sq. ft. includes circulation, recreation (including on-grade and podium outdoor areas), office space and common areas; excludes day care centers, parking, and commercial (non-res.)

<sup>3</sup> Acquisition includes cost of buying land/building including costs if City buys site; excludes demolition of existing building

<sup>4</sup> Construction includes unit construction, site preparation/demolition (if applicable), site improvements, environmental remediation and hard cost contingency for Predev & During Construction. Completed projects include used Contingency and are escalated per ENR CCI data

<sup>5</sup> All non-amortized local funds

<sup>6</sup> Total square footage

<sup>7</sup> Leveraging = subsidy/unit as % of TDC/unit

<sup>8</sup> Land Costs do not include \$6,150,000 in land costs MOHCD paid outside of the housing costs.

**Attachment I: Predevelopment Budget**

N/A



## **Attachment J: Development Budget**

[Development Budget follows cover.]

Application Date:  
Project Name:  
Project Address:  
Project Sponsor:

Treasure Island Parcel C3.1  
  
Mercy Housing Calwest

# Units: 138  
# Bedrooms: N/A  
# Beds:

SOURCES	28,952,317	4,500,000	13,753,000	55,601,514	14,467,000	-	Total Sources 117,273,831	Comments
Name of Sources:	MOHCD Predev Loan	MOHCD Predev Loan	AHSC	HCD Accelerator Funds	Perm Loan			

USES

ACQUISITION

Acquisition cost or value	0						0	
Legal / Closing costs / Broker's Fee		25,000					25,000	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	0	25,000	0	0	0	0	25,000	

CONSTRUCTION (HARD COSTS)

* Unit Construction/Rehab	10,191,900		12,609,148	50,856,273	7,989,938		81,647,259		
* Commercial Shell Construction							0		
* Demolition							0		
Environmental Remediation							0		
* Onsite Improvements/Landscaping							0		
* Offsite Improvements							0		
* Infrastructure Improvements							0	Graval removal from TI-C3.1 and placed on another lot	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	2,437,333						2,437,333		2.6%
GC Overhead & Profit	3,456,784						3,456,784		3.7%
CG General Conditions	5,027,263						5,027,263		5.4%
Sub-total Construction Costs	21,113,280	0	12,609,148	50,856,273	7,989,938	0	92,568,639		
Design Contingency (remove at DD)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+	0.0%
Bid Contingency (remove at bid)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+	0.0%
Plan Check Contingency (remove/reduce during Plan Review)	1,046,187		0				1,046,187	plan check and escalation	1.1%
Hard Cost Construction Contingency	0			4,680,741			4,680,741	5% new construction / 15% rehab	5.1%
Sub-total Construction Contingencies	1,046,187	0	0	4,680,741	0	0	5,726,928		
TOTAL CONSTRUCTION COSTS	22,159,467	0	12,609,148	55,537,014	7,989,938	0	98,295,567		

SOFT COSTS

Architecture & Design

Architect design fees		2,079,272					2,079,272	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)		605,584					605,584		
Architect Construction Admin	575,518	356,406					931,924		
Reimbursables		19,906					19,906		
Additional Services	229,207	0					229,207		
Sub-total Architect Contract	804,725	3,061,168	0	0	0	0	3,865,893		
Other Third Party design consultants (not included under Architect contract)									
	206,351	575,000					781,351	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	1,011,076	3,636,168	0	0	0	0	4,647,244		

Engineering & Environmental Studies

Survey	0	10,000					10,000		
Geotechnical studies		44,523					44,523		
Phase I & II Reports		0					0		
CEQA / Environmental Review consultants	100,000						100,000		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants	0						0	Cox Castle & Nicholson - Env review of lawsuit	
Total Engineering & Environmental Studies	100,000	54,523	0	0	0	0	154,523		

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee					610,707		610,707	0.75%	
Construction Loan Interest	0			0	4,013,705		4,013,705	During and after construction	
Title & Recording					40,000		40,000		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify) Construction Loan Costs/Predev loan and interest costs	198,500			47,000		0	245,500		
Sub-total Const. Financing Costs	198,500	0	0	47,000	4,664,412	0	4,909,912		

Permanent Financing Costs

Permanent Loan Origination Fee				17,500	0		17,500		
Credit Enhance. & Appl. Fee							0		
Title & Recording					50,000		50,000		
Sub-total Perm. Financing Costs	0	0	0	17,500	50,000	0	67,500		
Total Financing Costs	198,500	0	0	64,500	4,714,412	0	4,977,412		

Legal Costs

Borrower Legal fees	5,000						5,000		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel					75,000		75,000		
Permanent Lender Counsel					80,000		80,000		
* Other Legal (Title Construction & Perm Closing)	0	0			40,000		40,000	\$40K Perm Title Closing, \$50K Constr Title Closing, \$20K unknown	
Total Legal Costs	5,000	0	0	0	195,000	0	200,000		

Other Development Costs

Appraisal		15,000					15,000		
Market Study		15,000				15,000	30,000		
* Insurance						980,000	980,000	\$980K Course of Construction	
* Property Taxes							0		
Accounting / Audit	25,000						25,000		
* Organizational Costs							0		
Entitlement / Permit Fees	1,625,870	14,669					1,640,539		
* Marketing / Rent-up	834,720						834,720	includes \$220,000 fee for CCCYO	
* Furnishings				0	572,650		572,650	\$2,000/unit; See MOHCD U/W Guidelines on: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>	
PGE / Utility Fees	475,000						475,000		
TCAC App / Alloc / Monitor Fees		2,000					2,000		
* Financial Consultant fees	36,437	18,563					55,000		
Construction Management fees / Owner's Rep	119,000	141,000					260,000	4 yrs of CM beginning 2018 & 2 years of construction	
Security during Construction							0		
* Relocation							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
Total Other Development Costs	3,116,027	206,232	0	0	1,567,650	0	4,889,909		

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	712,247	28,077			0		740,324	Should be either 10% or 5% of total soft costs.	
TOTAL SOFT COSTS	5,142,850	3,925,000	0	64,500	6,477,062	0	15,609,412		

RESERVES

* Operating Reserves			1,143,852				1,143,852		
Replacement Reserves							0		
* Tenant Improvements Reserves							0		
* Other (specify)							0		
* Other (specify)							0		
* Other (specify)							0		
TOTAL RESERVES	0	0	1,143,852	0	0	0	1,143,852		

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						1,100,000		
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		
TOTAL DEVELOPER COSTS	1,650,000	550,000	0	0	0	0	2,200,000		

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	28,952,317	4,500,000	13,753,000	55,601,514	14,467,000	0	117,273,831		
Development Cost/Unit as % of TDC by Source	209,799	32,609	99,659	402,910	104,833	0	849,810		
	24.7%	3.8%	11.7%	47.4%	12.3%	0.0%	100.0%		

Acquisition Cost/Unit by Source

0	0	0	0	0	0	0	0		
---	---	---	---	---	---	---	---	--	--

Construction Cost (inc Const Contingency)/Unit By Source

160,576	0	91,371	402,442	57,898	0	712,287			
105.23	0.00	59.88	263.73	37.94	0.00	466.77			

\*Possible non-eligible GO Bond/COP Amount:

11,063,057
209,799

City Subsidy/Unit

Tax Credit Equity Pricing:	N/A
Construction Bond Amount:	81,427,662
Construction Loan Term (in months):	36 months
Construction Loan Interest Rate (as %):	3.50%

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

[1<sup>st</sup> Year Operating Budget follows cover.]

Application Date:  
Total # Units:  
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):

138  
2023

Project Name:  
Project Address:  
Project Sponsor:

Treasure Island Parcel C3.1  
  
Mercy Housing Calwest

TCAC Income Limits In Use!

INCOME	Total	Comments
Residential - Tenant Rents - 80% AMI or Less	1,939,296	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Rents - >80 AMI	637,740	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	1,543,704	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - LOSP - Tenant Assistance Payments	0	
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	7,607	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	4,128,347	
Vacancy Loss - Residential - Tenant Rents - 80% AMI or Less	(96,965)	Vacancy loss is 5% of <=80% AMI Tenant Rents.
Vacancy Loss - Residential - Tenant Rents - >80% AMI or Less	(31,887)	Vacancy loss is 5% of >80% AMI Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(77,185)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	3,922,310	PUPA: 28,423

OPERATING EXPENSES

Management

Management Fee	113,400	1st Year to be set according to HUD schedule.
Asset Management Fee		
Sub-total Management Expenses	113,400	PUPA: 822

Salaries/Benefits

Office Salaries	225,735	2.0 FTE at \$17.50 per hour - bayview hill gardens has 75 family units and requires full-time
Manager's Salary	85,600	1.0 FTE SPM with PSH experience and bonus
Health Insurance and Other Benefits	94,752	
Other Salaries/Benefits	134,111	
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	540,198	PUPA: 3,914

Administration

Advertising and Marketing	4,140	\$10 PUPA for collateral, branding and signage ; \$20 PUPA for res.engagement based on
Office Expenses	35,425	postage, office supplies, dues
Office Rent		
Legal Expense - Property	10,500	
Audit Expense	12,500	
Bookkeeping/Accounting Services	20,700	\$12.50 PUPM
Bad Debts		
Miscellaneous	11,000	\$47 PUPA for compliance cost plus three employee checks, T-shirts for main. And Janitorial
Sub-total Administration Expenses	94,265	PUPA: 683

Utilities

Electricity	59,478	All electric using ref from C Rood
Water	130,000	Estimated based on multiple SF PSH family properties. 10 & Mission currently is \$158000 per year; Bay View Hill Garden is \$81000; 455 Fell is \$89000 per year.
Gas		
Sewer	180,000	
Sub-total Utilities	369,478	PUPA: 2,677

Taxes and Licenses

Real Estate Taxes	82,384	RE Taxes for Legacy units
Payroll Taxes		
Miscellaneous Taxes, Licenses and Permits	0	
Sub-total Taxes and Licenses	82,384	PUPA: 597

Insurance

Property and Liability Insurance	210,002	Insurance quote
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	210,002	PUPA: 1,522

Maintenance & Repair

		1 MM at \$29.50 per hour and 1 Maintenance Tech \$20.00 per hour; \$36 PUPA for Regional Maintenance Specialist (new to properties); Janitorial service at 40 hours per week at the property - \$68000 ( Base on 455 Fell st estimate ); \$22000 included exterior window washing 1x/yr, professional floor cleaning 1x/yr for common area carpet
Payroll	110,892	
Supplies	14,390	includes \$90 PUPA including Ops Tech Admin fees (17 PUPA) for PSF property
Contracts	168,300	Annual fire alarm testing; fire sprinkler testing (quarterly and annual); fire extinguisher testing, monthly extermination service at \$1700 per month plus two bed bug treatments, 2 elevator repairs and emergencies, smoke detector replacement
Garbage and Trash Removal	148,074	Based on 10 & Mission current contract; Recology at \$9575 per month. Cleancology \$3150 per month for sorting garbage; 1180 4th- \$9575 per month plus \$3307 per month sorting garbage
Security Payroll/Contract	15,000	on call staff coverage as needed. Budget at \$31.50 per hour
HVAC Repairs and Maintenance	8,000	
Vehicle and Maintenance Equipment Operation and Repairs	1,200	
Miscellaneous Operating and Maintenance Expenses	26,000	unit turn over costs
Sub-total Maintenance & Repair Expenses	491,856	PUPA: 3,564

Supportive Services

Commercial Expenses	100,100	
	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES

2,001,683

PUPA: 14,505

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	15,000	Island Development Authority	Provide additional comments here, if needed.
Bond Monitoring Fee			
Replacement Reserve Deposit	69,000	\$500 PUPA	
Operating Reserve Deposit	62,100	\$450 PUPA for HOA Fee	
Other Required Reserve 1 Deposit	3,000	OTI fee	
Other Required Reserve 2 Deposit			
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	149,100	PUPA: 1,080	

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)

2,150,783

PUPA: 15,585

NET OPERATING INCOME (INCOME minus OP EXPENSES)

1,771,527

PUPA: 12,837

DEBT SERVICE/MUST PAY PAYMENTS (hard debt/ amortized loans)

Hard Debt - First Lender	1,205,011	Perm Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	57,763	HCD AHSC	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	1,262,774	PUPA: 9,151	

CASH FLOW (NOI minus DEBT SERVICE)

508,753

USES OF CASH FLOW BELOW (This row also shows DSCR.)

1.40

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	24,280	1
Partnership Management Fee (see policy for limits)		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		
Other Payments		
Non-amortizing Loan Pmtnt - Lender 1 (select lender in comments field)		
Non-amortizing Loan Pmtnt - Lender 2 (select lender in comments field)		
Deferred Developer Fee (Enter amt, <= Max Fee from cell I130)		Def. Develop. Fee split: 0%

TOTAL PAYMENTS PRECEDING MOHCD

24,280

PUPA: 176

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

484,473

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?

Yes

Project has MOHCD ground lease?

No

Will Project Defer Developer Fee?

Yes

Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:

50%

Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):

0

% of Residual Receipts available for distribution to soft debt lenders in

50%

Soft Debt Lenders with Residual Receipts Obligations

(Select lender name/program from drop down)

Total Principal Amt

Distrib. of Soft Debt Loans

MOHCD/OCIL - Soft Debt Loans	All MOHCD/OCIL Loans payable from res. rects	\$33,662,809	70.97%
MOHCD/OCIL - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$15,000	0.03%
HCD (soft debt loan) - Lender 3	HCD AHSC	\$13,753,000	29.00%
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	343,995	50% of residual receipts, multiplied by 71% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	343,995	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

140,477

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due	140,477	50% of residual receipts, multiplied by 29% -- HCD AHSC's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	140,477	

REMAINDER (Should be zero unless there are distributions below)

0

Owner Distributions/Incentive Management Fee

0

Other Distributions/Uses

0

Final Balance (should be zero)

0

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

[20-year Operating Budget follows cover.]

### Treasure Island Parcel C3.1

**Total # Units:** 138

**TCAC Income Limits In Use:**

Year 1Year 2Year 3Year 4Year 5Year 6Year 7Year 8Year 9Year 10Year 11Year 12

202320242025202620272028202920302031203220332034

INCOME

Residential - Tenant Rents - 80% AMI or Less

Residential - Tenant Rents - >80 AMI

Residential - Tenant Assistance Payments (Non-LOSP)

Residential - LOSP Tenant Assistance Payments

Commercial Space

Residential Parking

Miscellaneous Rent Income

Supportive Services Income

Interest Income - Project Operations

Laundry and Vending

Tenant Charges

Miscellaneous Residential Income

Other Commercial Income

Withdrawal from Capitalized Reserve (deposit to operating account)

% annual increase

2.5%

1.0%

1.0%

n/a

2.5%

2.5%

2.5%

2.5%

2.5%

2.5%

2.5%

2.5%

2.5%

n/a

Comments (related to annual inc assumptions)

from Commercial Op. Budget Worksheet; Commercial to Residential allocation - 100%

from Commercial Op. Budget Worksheet; Commercial to Residential allocation - 100%

Link from Reserve Section below, as applicable

Gross Potential Income

Vacancy Loss - Residential - Tenant Rents - 80% AMI or Less

Vacancy Loss - Residential - Tenant Rents - >80% AMI or Less

Vacancy Loss - Residential - Tenant Assistance Payments

Vacancy Loss - Commercial

3,922,3103,889,2824,057,6174,127,3474,198,5044,271,1184,345,2254,420,8584,498,0514,576,8414,657,2644,739,358

OPERATING EXPENSES

Management

Management Fee

Asset Management Fee

3.5%3.5%

1st Year to be set according to HUD

per MOHCD policy

113,400117,369121,477125,728130,129134,684139,398144,276149,326154,553159,962165,561

Sub-total Management Expenses

Salaries/Benefits

Office Salaries

Manager's Salary

Health Insurance and Other Benefits

Other Salaries/Benefits

Administrative Rent-Free Unit

3.5%3.5%3.5%3.5%3.5%

540,198559,105576,674598,927619,890641,586664,041687,283711,338736,234762,003788,673

Administration

Advertising and Marketing

Office Expenses

Office Rent

Legal Expense - Property

Audit Expense

Bookkeeping/Accounting Services

Bad Debts

Miscellaneous

3.5%3.5%3.5%3.5%3.5%3.5%3.5%

94,26597,564100,979104,513108,171111,957115,876119,931124,129128,474132,970137,624

Utilities

Electricity

Water

Gas

Sewer

3.5%3.5%3.5%3.5%

369,478382,410395,794409,647423,985438,824454,183470,079486,532503,561521,185539,427

Taxes and Licenses

Real Estate Taxes

Payroll Taxes

Miscellaneous Taxes, Licenses and Permits

3.5%3.5%3.5%

82,38485,26788,25291,34194,53897,846101,271104,815108,484112,281116,211120,278

Sub-total Taxes and Licenses

Insurance

Property and Liability Insurance

Fidelity Bond Insurance

Worker's Compensation

Director's & Officers' Liability Insurance

3.5%3.5%3.5%3.5%

210,002217,352224,959232,833240,982249,416258,146267,181276,533286,211296,229306,597

Maintenance & Repair

Payroll

Supplies

Contracts

Garbage and Trash Removal

Security Payroll/Contract

HVAC Repairs and Maintenance

Vehicle and Maintenance Equipment Operation and Repairs

Miscellaneous Operating and Maintenance Expenses

3.5%3.5%3.5%3.5%3.5%3.5%3.5%3.5%

491,556509,071526,888545,330564,416584,171604,617625,778647,680670,349693,811718,095

Supportive Services

Commercial Expenses

3.5%

from Commercial Op. Budget Worksheet; Commercial to Residential allocation - 100%

100,100103,604107,230110,983114,867118,887123,048127,355131,813136,426141,201146,143

TOTAL OPERATING EXPENSES

PUPA (w/o Reserves/GL Base Rent/Bond Fees)

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent

Bond Monitoring Fee

Replacement Reserve Deposit

Operating Reserve Deposit

Other Required Reserve 1 Deposit

Other Required Reserve 2 Deposit

Required Reserve Deposit/s, Commercial

2,091,6832,071,7422,144,2532,219,3022,296,9772,377,3712,460,5792,546,7002,635,8342,728,0882,833,5722,932,397

14,50515,00015,00015,00015,00015,00015,00015,00015,00015,00015,00015,00015,00015,000

69,00069,00069,00069,00069,00069,00069,00069,00069,00069,00069,00069,00069,00069,000

62,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,100

3,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,000

149,100149,100149,100149,100149,100149,100149,100149,100149,100149,100149,100149,100149,100

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)

PUPA (w/ Reserves/GL Base Rent/Bond Fees)

NET OPERATING INCOME (INCOME minus OP EXPENSES)

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender

Hard Debt - Second Lender (HCD Program 0.42% pymt., or other 2nd Lender)

Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)

Hard Debt - Fourth Lender

Commercial Hard Debt Service

2,150,7832,220,8422,293,3532,368,4022,446,0772,526,4712,609,6792,695,8002,784,9342,877,1882,972,6723,071,497

15,58515,58515,58515,58515,58515,58515,58515,58515,58515,58515,58515,58515,58515,585

1,771,5271,768,4401,764,2641,758,9461,752,4261,744,6471,735,5461,725,0581,713,1171,699,6531,684,5931,667,862

1,205,0111,205,0111,205,0111,205,0111,205,0111,205,0111,205,0111,205,0111,205,0111,205,0111,205,0111,205,0111,205,011

57,76357,76357,76357,76357,76357,76357,76357,76357,76357,76357,76357,76357,76357,763

1,262,7741,262,7741,262,7741,262,7741,262,7741,262,7741,262,7741,262,7741,262,7741,262,7741,262,7741,262,7741,262,7741,262,774

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 (unknown in new projects, see policy)

Partnership Management Fee (see policy for limits)

Developer Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)

Other Payments

Non-amortizing Loan Pmnt - Lender 1

Non-amortizing Loan Pmnt - Lender 2

Deferred Developer Fee (Enter amt <= Max Fee from row 131)

508,753505,666501,490496,172489,652481,873472,772462,284450,343436,879421,819403,488

1.4031.41.3971.3831.3681.3821.3741.3661.3571.3461.3341.321

24,28025,129.8026,009.3426,919.6727,861.8628,837.0229,846.3230,890.9431,972.1233,091.1534,249.3435,448.05

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TOTAL PAYMENTS PRECEDING MOHCD

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Does Project have a MOHCD Residual Receipt Obligation?

Will Project Defeat Developer Fee?

1st Residual Receipts Split - Lender/Deferred Developer Fee

2nd Residual Receipts Split - Lender/Owner

Max Deferred Developer Fee Amt (Use for data entry above. Do not link.)

Dist. Soft Debt Loans

24,28025,13026,00926,92027,86228,83729,84630,89131,97233,09134,24935,448

484,473480,536475,481469,252461,790453,036442,925431,393418,371403,788387,570369,640

Yes

Year 15 is year indicated below:

Yes

2037

50% / 50%

2nd Residual Receipts Split Begins:

67% / 33%

2024

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due

Proposed MOHCD Residual Receipts Amount to Loan Repayment

Proposed MOHCD Residual Receipts Amount to Residual Ground Lease

71.00%

343,995227,467225,074222,125218,593214,449209,663204,204198,040191,137183,460174,973

343,995227,467225,074222,125218,593214,449209,663204,204198,040191,137183,460174,973

343,995227,467225,074222,125218,593214,449209,663204,204198,040191,137183,460174,973

343,995227,467225,074222,125218,593214,449209,663204,204198,040191,137183,460174,973

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due

Lender 4 Residual Receipts Due

Lender 5 Residual Receipts Due

Total Non-MOHCD Residual Receipts Debt Service

29.00%

140,47792,89191,91390,70989,26787,57585,62083,39180,87478,05574,92071,454

0.00%

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0.00%

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140,47792,89191,91390,70989,26787,57585,62083,39180,87478,05574,92071,454

REMAINDER (Should be zero unless there are distributions below)

Owner Distributions/Incentive Management Fee

Other Distributions/Uses

Final Balance (should be zero)

REPLACEMENT RESERVE - RUNNING BALANCE

Replacement Reserve Starting Balance

Replacement Reserve Deposits

Replacement Reserve Withdrawals (ideally tied to CNA)

Replacement Reserve Interest

0160,179158,494156,417153,930151,012147,642143,798139,457134,596129,190123,213

-160,179158,494156,417153,930151,012147,642143,798139,457134,596129,190123,213

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69,00069,000138,000207,000276,000345,000414,000483,000552,000621,000690,000759,000

69,00069,00069,00069,00069,00069,00069,00069,00069,00069,00069,00069,00069,000

69,000138,000207,000276,000345,000414,000483,000552,000621,000690,000759,000828,000

35001,0001,5002,0002,5003,0003,5004,0004,5005,0005,5006,0006,500

OPERATING RESERVE - RUNNING BALANCE

Operating Reserve Starting Balance

Operating Reserve Deposits

Operating Reserve Withdrawals

Operating Reserve Interest

OR Running Balance

62,10062,100124,200186,300248,400310,500372,600434,700496,800558,900621,000683,100745,200

62,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,100

62,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,10062,100

62,100124,200186,300248,400310,500372,600434,700496,800558,900621,000683,100745,200

3.6%5.3%7.0%8.6%10.0%11.5%12.8%14.1%15.3%16.5%17.6%

OTHER REQUIRED RESERVE 1 - RUNNING BALANCE

Other Reserve 1 Starting Balance

Other Reserve 1 Deposits

Other Reserve 1 Withdrawals

Other Reserve 1 Interest

Other Required Reserve 1 Running Balance

3,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,000

3,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,000

3,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,000

3,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,0003,000

3,0006,0009,00012,00015,00018,00021,00024,00027,00030,00033,00036,000

OTHER RESERVE 2 - RUNNING BALANCE

Other Reserve 2 Starting Balance

Other Reserve 2 Deposits

Other Reserve 2 Withdrawals

Other Reserve 2 Interest

Other Required Reserve 2 Running Balance

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DEFERRED DEVELOPER FEE - RUNNING BALANCE

Developer Fee Starting Balance

Deferred Developer Fee Earned in Year

Developer Fee Remaining Balance

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0%0%0%0%0%0%0%0%0%0%0%0%0%

0%33%33%33%33%33%33%33%33%33%33%33%33%

100%67%67%67%67%67%67%67%67%67%67%67%67%



Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
2035	2036	2037	2038	2039	2040	2041	2042

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