

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833
P.O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771
accelerator.hcd.ca.gov



September 6, 2022

Barbara Gualco, Vice President
Mercy Housing California
1256 Market Street
San Francisco, CA 94102

Micaela Connery, Chief Executive Officer
The Kelsey
1460 Mission Street
San Francisco, CA 94103

Dear Barbara Gualco and Micaela Connery:

RE: *Conditional Award Announcement – California Housing Accelerator Project Solicitation, Tier 2*
Mercy Housing California and The Kelsey– The Kelsey Civic Center
Contract No. 22-ACC-17494

The California Department of Housing and Community Development (Department) is pleased to announce that Mercy Housing California and The Kelsey have been awarded California Housing Accelerator (Accelerator) Tier 2 funds in an amount up to \$37,334,401. *This award is conditional upon the awardee submitting a revised Accelerator application, within 60 days of the date of this letter, showing the public entity from the original HCD Loan commitment as a Co-Applicant. The Co-Applicant must also provide an adopted Resolution, approving the application and the Accelerator award amount funds in up to \$37,334,401.* These funds are made available through the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2).

As stated in the February 28, 2022, and as amended May 5, 2022, Project Solicitation and Guidelines, construction of the project, meaning the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building, must commence within 180 days of the date of this letter, which constitutes notice of the designation of Accelerator funds for the Awardee. If the project is unable to commence construction by this date, funds may be disencumbered and the sponsor will forfeit its application fee. Additionally, the project must complete permanent loan conversion no later than November 30, 2026.

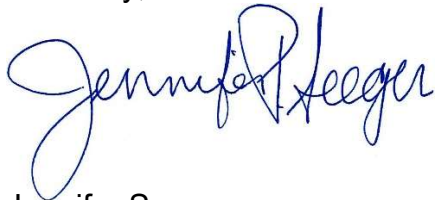
The Department intends to issue a Standard Agreement within 90 days of receipt of any outstanding documentation required to execute this contract. A program representative will be in communication with you within a week to confirm any additional documents needed to prepare the Standard Agreement.

Mercy Housing California and The Kelsey – *The Kelsey Civic Center*
Contract No. 22-ACC-17494
August 30, 2022
Page 2

If a Standard Agreement is needed prior to 90 days to facilitate a planned construction closing date, please notify program staff immediately. Please note that the Department reserves the right to reduce the loan amount prior to issuance of the Standard Agreement, should the Department determine there is a supplantation of previously approved public funds or the project is over-subsidized.

Congratulations on your successful application. We are excited to work with you on this new and innovative funding program. For further information, please contact Doniell Cummings, Accelerator Program Manager, Program Design and Implementation Branch, (916) 695-9006 or Doniell.Cummings@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Seeger". The signature is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent script than the last name "Seeger".

Jennifer Seeger
Deputy Director
Division of State Financial Assistance